

# The Conference Board

## Personnel

# MANAGEMENT RECORD

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## Reaction to GM Wage Formula

**T**O GET the immediate reaction to the wage formula adopted by the General Motors Corporation and the UAW-CIO, THE CONFERENCE BOARD asked nearly one hundred leading executives in selected fields:

1. *Do you intend to use the GM-UAW wage formula as a basis for your wage negotiations?*

2. *Do you believe it would work in your industry?*

3. *What do you believe would be its effect in a competitive market in which some firms use the formula and others do not?*

4. *If it is adopted on a widespread scale, what is your opinion of its possible effect on retarding or speeding up inflation?*

### WHAT LEADING EXECUTIVES SAY

Replies received from sixty-nine of these executives show that:

1. Six out of every seven will not use the GM formula in negotiating wage agreements. A few state that they are in sympathy with the agreement and some are already using a variant of this type of formula.

2. Four out of five executives do not believe the formula would work in their industry. Some of the others feel, however, that even though the formula would work, it should not be adopted. A few state that they would like to see the GM wage formula adopted industry-wide.

3. Almost half the executives who answered the third question believe that adoption of the formula would have bad effects upon a firm in a competitive industry. Nearly one fourth of them say that it would have little or no effect, while the remaining few do not hazard a guess.

4. The GM wage formula, if adopted on a widespread scale, would speed up inflation, in the opinion of three out of every four of these executives. A few

add that they think it would also accelerate deflation. Slightly less than 10% of the executives see no additional inflationary pressure in the GM wage formula.

### WILL COMPANIES USE THE FORMULA?

While the overwhelming number of executives indicate no intention of using the GM wage formula, a few state they are already using a variant of it. A manager of operations in the east replies, for example:

"We do not intend to use the formula as we have our own variation on the theme. Ours is different in this

### BACKGROUND

On May 29, 1948, General Motors Corporation signed a two-year agreement which contained provision for a wage hike of 11 cents an hour. Eight cents of the rise was earmarked as a cost of living increase to bring the employees' purchasing power up to its 1940 level. Basis for this 8-cent jump was the change in the consumers' price index of the United States Bureau of Labor Statistics. This stood at 169.3 in April, 1948, as compared with 100.2 for 1940.

The other 3 cents was labeled an annual improvement factor to increase the standard of living of the workers. The wages will rise another 3 cents on May 29, 1949, when this factor is again applied.

What has been called unique is the built-in roller coaster aspect of the agreement. Every three months, wages will automatically rise or fall at a rate of 1 cent for every change of 1.14 points in the BLS cost of living index. No ceiling is set on the amount wages can rise to keep up with the index, but the drop cannot be more than 5 cents from the initial increase. The agreement establishes this floor by stating that downward wage revisions (within the two-year contractual period) shall not go below this floor if the BLS index drops lower than 164.7. The complete text of the General Motors-UAW-CIO wage agreement is reproduced at the end of this article, Appendix B.



respect. We negotiate for a basic wage increase but place the cost of living bonus plan on a 10% basis, more as an umbrella of protection to the employee should the cost of living spiral upward at an exceedingly rapid pace before the union has another opportunity to negotiate again. In the same way, the 10% increase is nullified if the cost of living should drop below that figure based on the index of New York City. So it is not so directly tied in to the wage structure as the GM formula."

A personnel executive of a midwestern manufacturing company says:

"We have had a cost of living wage clause in operation and as a part of our union agreement since August, 1941. During this period, the cost of living bonus under the formula has accumulated to a total of 70% (over 1941 starting base) at the present time. The last 5% adjustment according to the formula became effective in February, 1948."

A vice president of a western utility company states that while he has not used the General Motors formula, he has predicated his wage settlement on the cost of living:

"While we settled one of our contracts prior to the General Motors contract, it is interesting to note that our settlement was predicated upon the cost of living increase which, in this vicinity, is around 8%. Our settlement was 8.25%."

#### Favors GM Principle

A labor relations executive of a midwestern manufacturing company replies that he favors the principle of the GM settlement. He goes on to say:

"At the present time, our employees are conducting a ratification vote of a settlement arrived at between the union and company committees last week.

"The terms include a cost of living bonus, which calls for averaging the three monthly indexes for a calendar quarter. This average is then compared with 169.3, where the index stood for April, 1948. For each full point this average stands more than the 169.3, the company will pay the employee 1 cent per hour in the form of a bonus check to retroactively cover that calendar quarter for which the average was derived. This plan does not provide for a cut in hourly base rates in the event the consumers' price index drops. If the cost of living does not rise, no cost of living bonus check is issued. In other words, the employees either receive an additional check or no check is issued.

"We believe such a plan adds stability to our labor relations picture with regard to the living wage question. It goes a long way toward answering the argument of the union that wages do not meet the rising cost of living."

#### Parallel Agreements

General Motors was not the first to hit on its wage formula, as is shown by several letters received. A

vice president of an eastern manufacturing company points out:

"Possibly you may be interested in noting that our agreement, signed this latter part of April and therefore antedating the General Motors settlement by a number of weeks, is nevertheless strikingly similar to the GM agreement in the manner in which it handles the relationship between the wages and cost of living."

And an executive of a food company in the midwest replies:

"We have been using the cost of living wage adjustment since August 1, 1946. It was interesting to note many of the same words being used and that the style of displaying the wage schedule in relation to the consumers' price index is very similar to our display and setup."

*(This company's cost of living formula is reproduced at the end of this article, Appendix A.)*

One eastern executive longs to use a GM-formula type of wage adjustment but is being blocked by the union. He says:

"As long ago as 1945, I advocated, and the corporation approved for use in negotiation, a similar formula for increasing and decreasing basic wages quarterly on the basis of cost of living indexes. We were never able to get our union leaders to give reasonable consideration to such a formula but I have not lost hope that it will eventually be put across."

Another rejects the cost of living increase, but sees great merit in the improvement factor:

"I don't see how we can use the cost of living part of the formula since our wages have increased considerably more than 69% since 1940. . . . On the other hand, I personally feel that the 3 cents an hour standard of living improvement factor is one of the greatest developments ever seen in the field of industrial relations. I believe something like that should be a national goal and I sincerely hope that we will be able to fit it into our picture."

#### No Traffic with GM Formula

A variety of reasons motivated the flat rejections of the GM wage formula, but one reason appeared frequently. Many of the sixty-nine replies stated that wage increases already granted were proportionately greater than cost of living increases.

An industrial relations executive of a western manufacturing company, for example, states:

"We do not intend to use the GM-UAW wage formula in its entirety as the basis of our wage negotiations. Applying that part of the GM-UAW formula which has to do with the cost of living factor would result in reducing the average hourly rate of our employees twenty-six cents an hour. We will undoubtedly use this part of the formula in attempting to convince our employees that their wages have more than kept pace with the cost



of living since 1940. Under these circumstances it would be ridiculous, of course, to consider a wage increase based on the increase in the cost of living for some time to come. Furthermore, in our type of operation where the government is practically our only customer, we do not feel it would be advisable to provide our employees with a guaranteed annual wage increase of 3 cents an hour or any other figure."

An executive of a New England manufacturing company says:

"Our wage increases since 1940 exceeded the cost of living increases. Inasmuch as there would be nothing for the employees if we apply the formula as a basis of our wage negotiations, it is safe to say we will not use it as a basis of our wage negotiations."

An industrial relations executive of a eastern manufacturing company that operates several types of businesses points out why his firm will not use the GM formula:

"The rise in the cost of living since 1940 has been accepted as 69%. Rises in wages since 1940 indicate steel and fabrication at 80.7%; electrical machinery, 79%; rubber products, 82.8%; and automobiles, 61%.

"If the formula calls for 11 cents to bring the automobile percentage to 69%, then the concerns paying well over the 69% in wages as indicated above would be entitled to argue an adjustment downward.

"As a matter of principle, wage increases should be coupled with assurances by the union of accelerated production on the part of the workers and so stipulated in the management-labor agreement."

### Formula Means Pay Cut

A western utility company personnel executive says:

"We do not intend to use the GM-UAW wage formula as a basis of our wage negotiations. In this company, as is the case in other gas and electric utility companies in this state, wage increases have not been geared to the cost of living. Instead, having applied what we determined to be proper wage setting criteria, we measure the resulting increase against the increase in the cost of living as a form of double check. In each instance we have found that our wage increases have either met or exceeded the increase in the cost of living."

A midwestern paper company president states:

"We do not intend to use the GM-UAW wage formula as a basis for our wage negotiations since our increases since 1940 are considerably above the increase resulting from application of the formula. Direct and literal application of the formula would result in a decrease of anywhere from 10 to 20 cents an hour, which does not appear to be practical."

One officer of an eastern manufacturing company states that he has already used the formula and the union requested that it be removed:

"We do not intend to use the GM-UAW wage formula. We had a cost of living agreement in effect from January, 1946, until October, 1947, when it was abandoned by mutual consent. Our plan increased wages \$.04 an hour for each 5 points increase in the BLS index. When the plan was started in January, 1946, the BLS index was 130. Wages were increased \$.16 an hour under this formula. The agreement also called for a decrease in rates of \$.04 an hour for each 5 points decrease in the index. Of course, no decrease ever occurred so we have no idea how successful we would have been in decreasing wages despite our agreement. In our contract negotiations in 1947 the union did not wish the plan to continue so it was dropped by mutual consent."

But not always does the GM formula meet with joint rejection. A midwestern company executive, for example, states:

"We do not intend to use the GM-UAW wage formula as the basis for a wage settlement, although the United Rubber Workers have requested the application of this formula toward the solution of our current wage problem."

### WOULD FORMULA WORK IN YOUR INDUSTRY?

"It is possible that the formula might work as well in our industry as it would in the automobile industry," says the industrial relations director of an eastern manufacturing company, "but our frank opinion is that it will not work well anywhere." While this opinion keynotes the consensus of the overwhelming majority of the sixty-nine executives regarding application of the GM wage formula to their industries, specific industries see specific dangers in its use.

### Industries Are Wary

An executive of a very large eastern retail department store, for example, says:

"We do not believe that the automatic standard of living bonus can be applied on a long-term basis in the retail industry. Our industry is a service one and a major portion of the work we do must be done by people and cannot be mechanized. Therefore, we cannot anticipate, as an industrial plant may do, a regular and continuous increase in productivity which will result through the use of more and improved tools."

A representative of a midwestern paper manufacturing concern has misgivings about application of the formula to the paper industry:

"We do not believe that the formula would work satisfactorily in the paper industry because of the necessity for long-range planning of sales price programs."

Similar reasoning is apparent in the reply of an executive of a large chemical plant:

"I do not believe it would work in our industry. A large percentage of our sales are made on yearly contracts, and, although on some commodities they carry



escalator clauses, quite a number of commodities in the industry do not."

An executive of a glass manufacturing company adds:

"We do not believe it would work in our industry. General Motors has been able to gamble on the cost of living largely because the tremendous unfilled demand for cars means that they can always pass their mistakes on to the consumer."

### Experience Against It

Several of the sixty-nine executives base their refusal to use the GM formula on an industry-wide basis upon past experience. An executive of a large eastern mining corporation, for example, says:

"For many years in the copper industry we had a sliding scale of wages based on the price of copper. This plan worked satisfactorily over limited periods but broke down completely during the depression years and it has never been revived since. On account of our past experience, we rather hesitate to adopt a formula based on the cost of living."

And the industrial relations director of a large oil corporation writes:

"We question whether the formula would work in our industry. One large company negotiated an open-end escalator wage formula in 1946, but abandoned it after less than one year, and one other company has used an escalator formula, but on a severely restricted basis. I doubt that the petroleum industry will make any widespread application of the principle of the GM formula. If I correctly understand the calculations, the formula itself would not yield an increase today in most petroleum operations because of the already high percentage of increases since 1940."

### Utilities Say No

Most vocal group in rejecting the GM wage formula on an industry-wide basis are executives of the cooperating utility companies. "I do not believe the formula can be applied in a public utility industry whose rates are regulated by agencies," says an executive of a western gas and electric company. "Having no control over the price of the service we sell, we do not believe we should permit our wage rates to be governed by indexes over which we have no control."

An executive of an eastern power company says essentially the same thing:

"We do not believe the formula would be satisfactory in the public utility industry because of the limits placed upon the price of utility services by the various units of government."

As for transportation, an executive of an eastern bus service writes:

"It seems to us that under such an arrangement our

wage costs might be going up four times a year automatically, and that it would be impossible to obtain compensating fare increases or adjustments that would produce additional revenues to keep up with the increased costs."

### Effect Upon Communications Industry

An analysis of the possible effect upon the communications industry is offered by a prominent eastern labor relations counselor:

"The improved standard of living increase plan has been used in the country's communications industry for a number of years. One company in our industry adopted it during 1947, so that most employees receive an increase of 4 cents an hour on April 1 of each year. This increase, while attractive to the individual and soundly granted from the recipients' viewpoint, is believed economically unsound from the employer's viewpoint as long as the union seeks additional across-the-board increases or fringe benefits which pile added payroll costs onto the employer. My experience with other companies has been that, although unions promise that these automatic increases will be taken into account in future negotiations, the promises are rarely kept in good faith. In other words, automatic increases have actually operated to increase payroll costs to a level higher than would be the case through negotiated increases. To keep automatic increases under control, maximum wages have to be fixed for each job. This involves considerable and recurrent job evaluation work. Once a maximum is fixed, union pressure is presented to increase the maximum not because of incorrect evaluation but simply because the union must secure wage increases for older employees (who are at the maxima) if younger employees receive wage increases.

"The cumulative expense of automatic wage increases is recognized by both companies and unions to be so heavy that my union friends have come to accept my description of those improved standard of living or improved experience or improved efficiency raises as the mortgage—it is the employees' mortgage on the company's future, an amount of money which must be paid irrespective of the company's ability to pay. This can have a serious effect on the individual employee, in that, as payroll costs push operating costs nearer to operating income, the employer looks for ways to cut payroll costs; this invariably results in furloughs or permanent loss of jobs.

"Much the same criticism could be leveled at the cost of living portion of the GM formula. Wages are in part tied, not to the employer's ability to pay, but to a generalized composite index of the employee's ability to buy. Segments of the industry tried cost of living formulas at the outset of wage freezing under the War Labor Board; as long as prices were controlled and the cost of living raises were limited by the Little Steel formula, the formula did no damage to the industry and, on the other hand, was of little use to the wage earner. With the end of the war, the cost of living formulas were quickly negotiated out of labor contracts and replaced by negotiated across the board increases and automatic wage increase formulas, some tied to merit ratings. The last cost of



living increase plan disappeared from this industry in 1946.

"This country's communications industry is, as you know, a public utility, with service rates fixed by tariffs subject to the approval of the Federal Communications Commission. The communications companies cannot, therefore, unilaterally raise tariff rates to provide for increased labor costs. Where labor costs account for the largest expenditure of revenue dollars, those costs must be fixed with relation to permissive and possible revenues.

"Under these circumstances, the answer to your second question is that the GM formula is extremely dangerous to the economic well being of the utility business and those employed in it. The improved standard of living portion of the formula is in use, but has to be carefully guarded to prevent abuse. The cost of living portion of the formula could be disastrous to an industry which cannot control its revenues."

There is, however, a dissenter among the several utility companies heard from who believes the formula can be applied to the industry. An executive of a western power and light company states:

"It is my thinking that the wage formula adopted by General Motors will work in industry generally, providing job rates are based on a job evaluation plan which has been recognized by the union. This would remove from contract negotiations those difficult problems that arise under the heading of job inequities and any increase or decrease in the general pattern would then be predicated upon the cost of living. I further believe that this program could be operated within the utility industry providing the industry did have a recognized job evaluation plan."

#### Formula Could Be Industry-wide

Only about one out of every five executives answering THE CONFERENCE BOARD's questions believes that the GM wage formula could be applied on an industry-wide basis. But this did not amount to endorsement of its extension in every case. An executive of an eastern chemical corporation, for example, says:

"We see no reason why the GM-UAW formula would not work in the chemical industry, but we have not yet reached the opinion that a close tie of wages to government statistics is necessarily best for the industry."

Quite different is the reaction of an executive of a western food company to this question. He says:

"The cost of living wage adjustment is workable and we have had outstanding success with its administration and acceptance."

An industrial relations director of a large chemical corporation also holds this view:

"I do not see why it would not work as well in our industry as it would in others. At one of our plants we

had our wage schedule tied to a cost of living index for some years prior to wage stabilization but we have not returned to it since stabilization controls were removed. A check, however, made within the last year discloses that our rates are almost exactly at the same levels that they would have been had the cost of living tie-in remained in effect."

#### "Our Industry Too"

Another executive of a southern chemical corporation writes:

"We see no reason why the wage formula would not work as well in our industry as in any other. Our employment is relatively stable and we have a comparatively high percentage of older employees who have remained with us through the years."

One executive of an eastern manufacturing concern bases his approval of the GM wage formula upon a similar company's experience with a similar plan:

"A manufacturing company in a neighboring state has a cost of living clause in its contract and apparently it is working out satisfactorily. As this company has the same union representing its employees as we have representing ours, it is possible that a similar formula would work for us."

The president of a large eastern communication company summarized many of the responding executives' views by stating:

"It is my opinion that this wage formula may work in individual cases over a relatively short period of time but that it will not work in industry in general over a period of years."

#### EFFECT UPON COMPETITIVE STATUS?

Almost half of the sixty-nine executives believe the adoption of the GM wage formula by a firm in a competitive industry would have bad effects upon its competitive status. Several of them, like the executive of a large clothing company, believe "chaos" would result if several firms within an industry adopted the formula while others did not. Others were more lenient in their conclusions.

An executive of a midwestern manufacturing company, for example, says:

"It would appear that, in a competitive market in which some firms might use the formula and others not, a rigidity would be introduced that would be disturbing to normal competitive conditions."

#### OK in Sellers' Market

The swollen demand makes it feasible for General Motors, says the president of an eastern communications firm, but:

"It is my opinion that in a competitive market the firms using this formula would soon find themselves in



an uncompetitive position with relation to the firms not using the formula. At the present time General Motors can undoubtedly afford to use this formula for the next two or three years during which the enormous demand for their products may be fulfilled, but thereafter I believe they would be in a very uncompetitive position unless all members of the industry were using the same formula."

Labor unrest would result from uneven adoption of the GM formula within an industry, says an executive of a midwestern utility company:

"Application of the GM formula in some firms in highly competitive industries and not in other firms of the same industries, would cause labor unrest, owing to varying wages for similar work. This would be true regardless of the direction of movement of the cost of living index."

### Long Run vs. Short Run

The long run disadvantages of adopting the formula will outweigh short run advantages according to the director of labor relations of a large western transportation corporation:

"The use of the GM formula by some but not all firms in a competitive market will in the long run work to the disadvantage of those firms using it. While it is undoubtedly true that those firms using the GM formula will be able to recruit the most desirable employees, it seems to me that rising labor costs will eventually force those companies using the GM formula out of the competitive market."

An executive of an eastern manufacturing company sees the adoption of the GM formula as a severe handicap during a recession period:

"The establishment of a floor in the GM formula would seriously handicap those companies using the formula in times of severe business and economic recession. Conversely, the lack of a ceiling would vitiate the advantages to be obtained through realistic collective bargaining."

An executive of a southern corporation, however, believes the converse would be true:

"The effect of the formula on firms which adopt it in a competitive market would be to commit those firms to possible increases on the question of which other firms would have freedom of choice. This would handicap these firms during a period of rising living costs. On the other hand, these firms would probably have the advantage over the others in a period of declining costs, because they could successfully carry out wage reductions on a basis previously agreed upon with their employees."

### Depends on Market

An analysis that includes the thoughts of many of the industrial leaders who view the GM formula as a handicap to a firm's competitive status is given by an executive of a prominent eastern company:

"In a competitive market, those firms using the formula would tend to become relatively more marginal in their earnings position and more vulnerable competitively than otherwise might be the case. Firms not adopting the principle, however, would likely be faced with union demands for frequent wage reopenings, followed by horizontal upward adjustments which would be partly, although not necessarily directly, related to changes in the cost of living. In this latter case, relative competitive positions of the concerns would not be substantially affected and their general financial health would depend largely upon whether they were in a buyers' or a sellers' market. In a sellers' market, they would be able to recover cost increases through price increases until they had priced their merchandise out of the reach of consumers with a consequent reduction in volume, employment, and wage payments. In a buyers' market, cost increases brought about by cost of living wage adjustments could not be passed on to consumers, with the result that operating profit margins would be severely reduced or eliminated, and the usual belt tightening tactics adopted."

### Formula Makes No Difference

There is general agreement among nearly one fourth of the executives that the adoption of the formula in itself would not compromise the firm's competitive status. One executive of a large eastern mining corporation states:

"I do not believe that it would make much difference in a competitive market whether some firms would use the GM formula and others would not. If the GM formula were not used, it would probably be necessary for a company to provide for a reopening of negotiations in regard to wages after one year. It does not seem to me, therefore, that any very long period could elapse during which time wages paid by different companies would be very different."

Essentially, the same opinion is given by the industrial relations director of a large midwestern manufacturing company:

"The effect of the use of the GM formula, which is a sliding scale calculated to minimize the lag in the adjustment of wages following a rise or fall in prices, would simply give a temporary advantage or disadvantage, as the case may be, to the one using the formula. In other words, if the cost of living index declines, calling for a wage decrease, there would be an advantage to the producer using the formula until such time as the producer not using the formula was able to renegotiate his wage structure downward. Conversely, a rise in the cost of living would place him at a temporary disadvantage until such time as labor engaged by the producer not using the formula was able to negotiate its wage structure upward. This is merely a practical illustration of the effect of variable costs and fixed costs upon a business concern which is pricing its product in a competitive market."

An industrial relations director of a New England manufacturing company says:



"Adoption of the GM formula would have no more effect than if some grant a third-round increase and others do not."

### Industry-Wide Bargaining Argument

One technique used by unions to secure industry-wide bargaining is the allegation that unfair competition results from intra-industry wage differentials, according to the manager of an East Coast manufacturing company:

"I do not believe that in our particular industry the wage factor is an important element in our competition. Viewing the country as one competitive market, it is my feeling that the wage cost is not the determining factor in profit success. As you know, some automobile concerns, for instance, that paid the highest wages have been the leaders in the field. Labor has repeatedly tried to use the unfair competition thesis as an argument for bargaining for complete industries."

No effect is seen resulting from use of the GM formula among utility companies, according to one eastern labor relations expert. He reasons:

"In so far as the country's communications industry is concerned, use of the GM formula would have no effect on competition among the carriers except to the extent that insolvency or bankruptcy of a carrier due to excessive labor costs would reduce competition. The tariffs are themselves competitive; like the oil industry's practice of posting prices for crude oil, a message rate fixed by tariff tends to follow and match competitive tariffs."

This view is also advanced by the personnel director of an eastern communications company:

"In the utility industry, the competition is not with other companies but with other fuels, electric generation by private plants, and public ownership or other political activities, so the GM-UAW formula would not be harmful from a point of view of competition."

### Formula Has Advantages

Several of the responding executives see possible competitive advantages in using the GM formula. The executive of a large western utility company, for example, says:

"I believe that so far as the use of the General Motors formula in competitive markets is concerned that it would give those operating under the General Motors formula a greater opportunity to determine labor costs and to control these costs than those who did not operate under a formula."

Stability of wage negotiations is another advantage cited by the personnel director of a midwestern power company:

"In a competitive market, firms which use the formula will have the advantage of a sort of stability in wage negotiations and easy access to the supply of labor; firms which do not use the formula may have an advantage in

price of products but will suffer from unrest among their people. The formula will likely be a kind of standard until someone, moved by competitive force, brings out a more generous one or until there is a general economic decline."

### RETARD OR SPEED INFLATION?

"The formula itself is not only immediately inflationary, but would tend to continue the upward spiral," answers an executive of an eastern company. The great majority of the executives take the same position. An executive of an eastern tool manufacturing company, for example, believes:

"Such a formula can have only one effect, and that is to promote further inflationary price increases because the wage pattern developed will spread into cost of living industries and, by increasing those prices, thence increase wages under this formula and back again indefinitely."

### Floor Breaks Fall

The floor-limiting downward revisions under the GM formula are pointed to by several executives who regard the effects of the formula as inflationary. Here, for example, is the answer of an industrial relations director of a large New England company:

"We cannot possibly understand how it could in any way act to retard inflation inasmuch as there is no ceiling on the upward revisions. There is also an annual 3 cents an hour rise. But a definite floor limits downward revisions to 5 cents an hour."

Only a moderately inflationary effect will result from use of the formula according to an executive of a western utility company:

"I do not believe the pattern will be adopted on a widespread scale, because the escalator type of adjustment has not gained wide acceptance in the past. Its effect would be moderately inflationary. Workers who have their wages pegged to living costs are generally less resistant to price advances, and since this group will no longer be hurt by inflation they may be an important factor in relaxing customer resistance to higher prices."

According to the industrial relations director of an eastern manufacturing company, the inflationary pressure of the adopted formula will depend upon whether the public or the company absorbs the increases.

"I do not believe that the formula is going to have any retarding effect on inflation. Whether it is going to speed up inflation will depend on whether the increase in direct labor is absorbed by the corporations giving this increase or is passed on to the public."

### May Retard Inflation

Continued inflation might not be the rule should the GM formula be widely adopted, according to an articulate minority of industrial executives. Many see in it an effective means of retarding inflation.



A director of labor relations in a large midwestern chemical company says that an answer to the question "calls for extensive use of the crystal ball. But," he adds, "since food prices greatly influence the cost of living index, it is quite possible that government activity can have a much greater influence on cost of living than the wages paid in industry. There is also good reason to believe that extensive use of such a cost of living plan by a large segment of industry would make industry very sensitive to changes in cost of living, and it might exercise a retarding effect on price increases."

### After the Event

An executive of an eastern company that has adopted a variant of the GM formula is more positive in his belief that inflation can be retarded through this device:

"It seems to us that the use of this method, from the very nature of the case, would tend to retard inflation. If everybody waited until the cost of living went up before they changed wage rates, it stands to reason that in so far as wage increases effect inflation there would be no inflation. Wage rates go up after the change in the cost of living, according to this formula, whereas, by the previous method of rate increases by negotiation, in the majority of cases unions demand wage rates which are above those justified by the cost of living because, they argue, during the period of the contract the cost of living will go up and unless they are ahead of the cost of living at the beginning of the contract year they will be behind the cost of living all during the contract year. A study of our own wage-change history during the past five years indicates quite clearly that this was the case. Such jumping of the wage rate ahead of the cost of living is, in our opinion, a strong force for building up inflation."

An effective check to the inflationary spiral is seen in the widespread adoption of the GM formula by still another executive of an eastern service corporation:

"You can gather that I approve of the GM settlement and, frankly, it seems to me that industry as a whole would do well to move along similar lines as a means of checking the so-called inflationary spiral. It may not be the ultimate answer to inflation but, at least, it should tend to offset the general feeling, engendered in industrial employees since the war, that they must have huge wage increases in order to keep pace with the cost of living."

### Production Is Key

A "yes and no" answer to the inflationary aspects of the GM formula comes from the director of industrial relations of a large midwestern manufacturing organization. His answer has embodied many points common to both points of view:

"At first blush, it would appear one would be led to conclude that the result of the formula would be to speed

up inflation, simply because the employees are being given more money. To the extent that the employees are being furnished with more money with which to compete in the purchase of a given quantity of goods, under present conditions of heavy demand and tight supply the inflationary tendency would seem to be inevitable. On the other hand, to the extent that the GM formula determines a sound reward for labor as a factor of production, the tendency should be to stabilize the economy. Higher prices are not necessarily inflationary as long as there is stability and balance in the reward to the various factors of production. In other words, the economy may be in balance with prices at a high level as well as a moderate or low level. The willingness of labor to extend its production of goods in accordance with expanded capacity which has been furnished by land and capital must be considered a very real part of the problem."

JAMES J. BAMBRICK, JR.

HAROLD STIEGLITZ

*Division of Personnel Administration*

### Appendix A: Cost of living wage adjustment schedule appearing in a food manufacturer's agreement which was adopted in 1946.

Consumer price index readings are to be taken from this percentage scale on all upward and downward adjustments.

Permanent Ceiling	Cents per Hour Wage Adjustment	Permanent Ceiling	Cents per Hour Wage Adjustment
170.6.....	20	151.7.....	11
169.9.....	19½	151.6.....	10½
168.9.....	18¾	150.7.....	10
167.9.....	18	150.6.....	9½
166.9.....	17¼	149.7.....	9
165.9.....	16½	149.6.....	8½
164.9.....	15¾	148.7.....	8
163.9.....	15	148.6.....	7½
162.0.....	15	147.7.....	7
161.0.....	15	147.6.....	6½
160.0.....	15	146.7.....	6
159.0.....	15	146.6.....	5½
158.0.....	15	145.7.....	5
157.1.....	15	145.6.....	4½
156.1.....	15	144.7.....	4
155.7.....	15	144.6.....	3½
155.6.....	14½	143.7.....	3
154.7.....	14	143.6.....	2½
154.6.....	13½	142.7.....	2
153.7.....	13	142.6.....	1½
153.6.....	12½	141.7.....	1
152.7.....	12	141.6.....	½
152.6.....	11½	141.1.....	Basic rate

### Appendix B: Wage agreement clause in contract between General Motors Corporation and The International Union, United Automobile, Aircraft and Agricultural Implement Workers of America, CIO.

"(101) (a) All employees covered by this agreement shall receive an increase of 11 cents per hour effective May 29, 1948. Three cents per hour of this increase is to provide for improvement in the standard of living of employees and will be added to the base rate of each wage classification for the term of the agreement. Eight cents per hour of this



increase is for the purpose of providing for the increase which has taken place in the cost of living. It is agreed that only 5 cents of this 8 cents will be subject to reduction so that, if a sufficient decline in the cost of living occurs, employees will immediately enjoy a better standard of living. Such an improvement will be an addition to the 3 cents an hour annual improvement factor underwritten by the corporation and will make a total of 6 cents to be added to the base rate of each wage classification, as of May 29, 1948.

"(b) A further increase of 3 cents per hour for an improved standard of living will be made in the base rate of each wage classification effective on and after May 29, 1949.

"(c) These increases in base rates as provided for in paragraph 101 (a) and paragraph 101 (b) shall be added to the wage rates (minimum, intermediary and maximum) for each day-work classification. The 5 cents per hour increase for the cost of living allowance provided for in paragraph 101 (a) shall be added to each employee's straight time hourly earnings and will be adjusted up or down each three months in line with the cost of living allowance provided for in paragraphs 101 (f) and 101 (g).

"(d) In the case of employees on an incentive basis of pay the increases in base rates provided for in paragraph 101 (a) and paragraph 101 (b) shall be added to the earned rate of all incentive workers until local plant managements and the local unions reach an agreement for factoring this increase into the wage structure of incentive classifications. The 5 cent per hour increase for cost of living allowance provided for in paragraph 101 (a) shall be added to each employee's hourly earned rate and will be adjusted up or down each three months in line with the cost of living allowance provided for in paragraphs 101 (f) and 101 (g).

"(e) The cost of living allowance will be determined in accordance with changes in the 'Consumers' Price Index for Moderate Income Families in Large Cities'—'All Items,' published by the Bureau of Labor Statistics, United States Department of Labor (1935-1939=100) and hereafter referred to as the BLS Consumers' Price Index.

"(f) The cost of living allowance as determined in paragraph 101 (a) shall continue in effect until the first pay period beginning after September 1, 1948. At that time, and thereafter during the period of this agreement, adjustments shall be made quarterly at the following times:

<i>Effective Date of Adjustment</i>	<i>Based Upon</i>
<i>First pay period beginning on or after:</i>	<i>BLS Consumers' Price Index as of:</i>
September 1, 1948	July 15, 1948
December 1, 1948	October 15, 1948
March 1, 1949	January 15, 1949
June 1, 1949	April 15, 1949
September 1, 1949	July 15, 1949
December 1, 1949	October 15, 1949
March 1, 1950	January 15, 1950

"In no event will a decline in the BLS Consumers' Price Index below 164.7 provide the basis for a reduction in the wage scale by job classification.

"(g) The amount of the cost of living allowance which shall be effective for any three-months' period as provided in paragraph 101 (f), shall be in accordance with the following table (except that the 5 cent cost of living allowance effective May 29, 1948, will not be changed on any subsequent adjustment date unless the cost of living index has increased or decreased more than one full index point from 169.3). Thereafter, the table shall govern:

BLS Consumers' Price Index	Cents per Hour Cost of Living Allowance, in Addition to Wage Scale by Job Classification	BLS Consumers' Price Index	Cents per Hour Cost of Living Allowance, in Addition to Wage Scale by Job Classification
164.6 or less.....	None	177.3-178.3.....	12
164.7-165.8.....	1	178.4-179.5.....	13
165.9-166.9.....	2	179.6-180.6.....	14
167.0-168.1.....	3	180.7-181.7.....	15
168.2-169.2.....	4	181.8-182.9.....	16
169.3-170.3.....	5	183.0-184.0.....	17
170.4-171.5.....	6	184.1-185.2.....	18
171.6-172.6.....	7	185.3-186.3.....	19
172.7-173.8.....	8	186.4-187.4.....	20
173.9-174.9.....	9	187.5-188.6.....	21
175.0-176.0.....	10	188.7-189.7.....	22
176.1-177.2.....	11		

and so forth, with 1 cent adjustment for each 1.14 point change in the index.

"(h) The amount of any cost of living allowance in effect at the time shall be included in computing overtime premium, night shift premium, vacation payments, holiday payments, and call-in pay.

"(i) In the event the Bureau of Labor Statistics does not issue the Consumers' Price Index on or before the beginning of the pay period referred to in paragraph 101 (f), any adjustments required will be made at the beginning of the first pay period after receipt of the index.

"(j) No adjustments, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures for the BLS Consumers' Price Index for any base month.

"(k) The parties to this agreement agree that the continuance of the cost of living allowance is dependent upon the availability of the official monthly BLS Consumers' Price Index in its present form and calculated on the same basis as the index for April, 1948, unless otherwise agreed upon by the parties."

### Nothing Too Good

*It happened during negotiations between a tool and die local and a Michigan employer. Following the union's plea for a general raise, the demand was made that the expense allowance for out-of-town jobs be increased.*

*"But," remarked the employer representative, "not even I spend that much when I'm on out-of-town business."*

*"Well, you see," countered an inexperienced union negotiator, "we tool and diemakers live very well."*

Local 599 Headlight (UAW-CIO Local 599)



## Cooperative Training by Top People

**H**OW MUCH do head production workers know about what goes on in the office departments of their companies? How well do head office workers understand the functions and operations of the shop departments in their organizations?

Supervisors at American Type Founders, Inc., of Elizabeth, New Jersey, freely admitted that their knowledge of the dozen or more departments comprising their company was something less than 100%. That was six months ago. Today the same supervisors have a considerably clearer and more comprehensive picture of the work of all departments. The account of what happened during this period—how an idea took hold and grew through cooperative effort on the part of a group of supervisors, foremen, and department heads—makes an important story in company developmental programs.

Early in the year it occurred to Arthur Lee, plant superintendent, that his senior foremen probably would be interested in learning something about the company's accounting procedures. In particular, they might like to know how production-cost variance accounts were kept. Among other reasons, these accounts affect their departmental ratings.

A committee was formed to discuss Mr. Lee's idea. Not only did the committee respond favorably, but, as so often happens, the original idea led to a broader concept. Why not bring key shop people and key office people together in a series of informal meetings to exchange information? Why not take a unit of production and follow it from its inception in the engineering department right on through all the shop departments and on to the shipping floor? In addition to explaining the different steps in production, why not ask the accounting department to describe its procedures in recording the elements of cost of manufacture from beginning to end? Finding itself in agreement, the committee proceeded to sell its proposal to management. This was not difficult.

### PLAN OF ORGANIZATION

William Stafford, director of training, was named coordinator of the program. As things developed, Mr. Stafford's chief functions became clear. He met with the committee and helped outline the series of meetings. All the top personnel in both shop and office supervision were invited to be members of the group. Of these, thirteen shop department heads and seven office department heads were charged with the responsibility of preparing and presenting lectures at one or more of the meetings.

The first meeting of the group was held February

10, 1948, with forty in attendance. As word of the program got around, others asked to be admitted and the group closed its final session three and a half months later with forty-seven in attendance. It was felt that this attendance in itself was an indication of the success of the venture. When it is known that the meetings were held after hours from 6:00 to 8:00 p.m. and that attendance was entirely voluntary, the figures take on added significance.

The series of meetings was called the Cooperative Management Program. The mimeographed lecture, together with appropriate exhibit materials, was provided for each member of the group at the meeting when the lecture was delivered. In all, fifteen meetings were held, and thirteen topics discussed. The unit of production traced from beginning to end was the company's new "DH" printing press.

The curriculum follows:

- Introduction and engineering
- Methods
- Tool design—pattern shop
- Tool room—tool crib
- Production (2 meetings)
- Purchasing—receiving—personnel
- Manufacturing
- Time study—stock room
- Subassembly—erection
- Inspection
- Shipping—billing—final accounting (2 meetings)
- Tabulation

The leaders of the course were:

- Chief engineer
- Head of tool design
- Foreman of the pattern shop
- Foreman of the tool room
- Foreman of the tool crib
- Production manager
- Director of purchases
- Plant superintendent
- Head, time study department
- Assistant production manager
- Foreman of assembly and erection
- Personnel director
- Chief inspector
- Head of payroll department
- Head of cost department
- Cost supervisor (2)
- Assistant budget director
- Chief accountant
- Comptroller

At one of the early planning meetings, the objectives of the course were set down by the committee in



charge. Five ambitious objectives were defined and agreed upon as desirable.

1. To furnish and improve understanding of the functioning of the individual departments of American Type Founders;
2. To improve interdepartmental functioning on production problems;
3. To develop and improve an understanding of the importance of planning to the orderly flow of production;
4. To develop and improve an understanding of the cost elements involved in producing a finished product;
5. To seek, as a possible outcome, suggestions for procedure simplification.

#### USEFUL BOOK PRODUCED

The committee also discussed procedures to be followed. It was determined that sessions would be held weekly and that each would consist of a lecture and a forum period. A shop and an office person would be jointly in charge, with Mr. Stafford acting as general chairman and coordinator of the entire program. At least one week before his appearance, each leader was asked to furnish the chairman with an outline of his talk and fifty copies of any illustrative material he planned to use. At the end of the course all members had a complete course book consisting of more than 250 pages and including scores of illustrative charts and forms. An eight-page flow chart, showing each step in the production of the "DH" press and providing in itself an outline of the fifteen class meetings, is included at the beginning of the book. The volume is as large as the Manhattan (New York City) phone book. It is expected that it will prove a useful reference book, especially for those who were members of the course.

The value of this experiment at American Type Founders may be judged in several ways. One—the rise in attendance—has been mentioned. Another is the spontaneous expression of appreciation by participants. There were many of these. A third is the request of other employees of the company for parallel courses.

Feeling that the course served a real need and accomplished to a remarkable degree the high objectives it set for itself, American Type Founders hopes to organize future courses along similar lines. Perhaps those who completed the first course will serve as leaders for new courses for next-level supervisors. The company feels that a cooperative management program every five years or so would be an excellent thing for supervisory personnel at all levels.

An outline of one of the class periods, the one devoted to inspection, follows. The usual procedure was to have two outlines, in this case one by the chief inspector and the other by the accounting department. (The forms referred to in the outlines are not shown.)

#### COOPERATIVE MANAGEMENT PROGRAM

*Inspection Department*

*April 20, 1948*

#### RESPONSIBILITIES

- A. Maintain quality standards on purchased, raw material, semifinished, and finished parts.
  - B. Maintain quality standards in our own shop on parts in process, subassembly, and erection operations.
  - C. Control of quality on the finished product prior to shipping to the customer.
  - D. To correctly record and report to the Production and Accounting Departments *all* scrap, salvage, and return merchandise materials.
  - E. To suggest and recommend possible problem solutions to all other divisions concerned.
  - F. To notify the Production Department of all material going into stock and of all presses accepted for shipping.
- In our attempt to discharge the above duties, the department has been set up into the following sections:
- Receiving Inspection
  - Sample and Process Inspection
  - Final Inspection of Processed Parts
  - Subassembly Inspection
  - Erection and Final Testing Inspection

#### *Production of the "DH" Press*

The first contact the Inspection Department would have with this item could be at the Receiving Department when the 300 oilite bushings, No. 71-DH266, would be inspected. With the material would be the No. 4 copy of a Material Received Form, filled out as per sample. If the shipment is accepted, the form is O.K.'d and signed by the Inspector and the parts and the No. 4 copy are delivered to the Stock Room.

In the event there are rejections in this shipment, a Return Merchandise Ticket is made out in triplicate, as per sample. The No. 1 copy is sent to the Accounting Department; the No. 2 copy to the Production Department; and the No. 3 copy is attached to the rejected pieces. Between the Production and Purchasing Departments a shipping authority is originated and the rejected pieces are returned to the vender for credit.

If sample castings of the Feed Motion Cam, No. 181-DH-228, were submitted for inspection, the parts would be sent to one of our second floor areas. There the parts would be checked dimensionally. An inspection report is made out on all such inspections and copies are sent to the Purchasing Department and Tool Design. (Sample.) This report lets Mr. Walsh know that his pattern is O.K.; and Mr. Gildea that he must get in touch with the vender immediately for correction of casting to the proper hardness.

Our next contact with this cam would be in the Machinery Section, No. 110, first floor, where operation No. 20 is being performed (operation sheet, Methods folder, page 2) on a Potter & Johnson Lathe. On the completion of the first piece, the process inspector will check the part and fill in the lower half of the Yellow Identification Card accordingly. (Sample Card.) This card will show any trouble that might exist during the processing of this job so that



when the finished lot reaches the final inspection area, the final inspector can use it as a guide on the amount of inspection he should give and on which operations he should concentrate before passing the job into the Stock Room.

On the sample yellow tag you can see that the .750"-.751" hole was causing trouble on April 7 at operation No. 20, further explained on the back of the card by the process inspector as a guide for the Final Inspector.

The Setup Correction Ticket (sample) referred to on the back of the yellow card is used by the process inspector to let the Setup Man and the Foreman know of a job that is running out of control. One copy goes to the Foreman's desks; one copy goes to the Setup Man; and one copy is retained by the Inspector. When the setup has been corrected and the job accepted, the setup man signs and returns his copy to the inspector who writes in the time and both the inspectors and the setup man's copy are filed. The Foreman's copy remains with him.

After all operations have been processed, the job gets to Final Inspection where about 10% inspection is given before sending it to Stock.

At this point if the inspector finds anything out of tolerance the job is rejected in this manner:

The Yellow Rejection Card is filled out as per sample, and attached to the paperwork and parts and shipped back to the section at fault for correction. In addition, he puts the same rejection information on the Production Record Card (Sample) and it is sent to the Assistant Production Manager who turns it over to the Assistant Superintendent. In this way, both the Production and Manufacturing departments are kept informed on why work apparently finished does not get into the Stock Room.

When the correction has been made and the job is returned to Final Inspection, it will be checked again. If at this time the job is accepted, it will be sent to Stock in the following manner: The Rejection Ticket will be signed by the Setup Man as being corrected. The Finished Part Delivery Receipt will be marked as sample. The ticket will be placed face up on the load so that the Production Dispatcher or his truckers can see that the move from Final Inspection to the Stock Room can be made. The Yellow Identification Card is again used at this time by the Final Inspector, (as sample). He O.K.'s and signs the bottom section and attaches it to the Signed Rejection Ticket and both become part of an inspection file on "Parts sent to Stock." A daily record by floor of these moves is kept in the Inspection Department.

At this time both "DH" parts have been processed into the Stock Room. John Ruben will pick them up after they have been drawn out and sent to the Subassembly Department for further explanation on Inspection duties.

*Accounting Department—Inspection*  
*April 20, 1948*

## RETURN MERCHANDISE TICKETS

### A. What they are

Return Merchandise Tickets Form F-207 Rev. are reports to the Accounting Department, by the Inspection Department, showing the rejection of Vendors' materials purchased.

The following information is shown on each ticket:

1. Part number
2. S.P.A. number
3. Date
4. Part name
5. Last operation completed  
(If purchased complete—marked as such)
6. Quantity rejected
7. Purchase order number
8. Vendor
9. Name of Inspector rejecting parts
10. Reasons for rejections

### B. Why they are necessary

1. They are necessary so that the Accounting Department may determine the loss of labor and burden (at standard) due to work performed on vendors' defects.

2. They are necessary so that we may be able to follow up on materials returned to vendors and be sure that credit or replacement is received.

### C. What we do with them

1. All tickets showing operations performed are priced at standard unit cost of labor and burden up to and including the operation shown. This is multiplied by the quantity to arrive at total labor and burden costs. These tickets are then segregated as to departments responsible and inventory in process is credited and department expense (scrap account) is charged.

2. These tickets are further summarized to show S.P.A. cost.

3. All materials returned to vendors when shipped out of the plant require a shipping authority. A copy of same is received by the Invoice Audit Department and kept in an open file until credit or replacement is received. Upon receipt of credit or replacement the shipping authority is placed in a closed file.

## SCRAP TICKETS

### A. What they are

Scrap Tickets Form F-212 Rev. are reports to the Accounting Department to record the scrapping of parts or subassemblies and show the following information.

1. Part number
2. S.P.A. number
3. Date
4. Part name
5. Operator's number
6. Operation responsible
7. Section responsible
8. Last operation number
9. Quantity scrapped
10. Kind of scrap (defective material, factory error or change in design)
11. Inspector's name
12. Reasons for scrapping
13. Foreman's signature



*B. Why they are necessary*

1. These reports are necessary so that the Accounting Department may determine the loss due to scrap for which shop operations are responsible.

2. They are necessary so the monthly reports can be issued by the Accounting Department showing the type of scrap, by departments and sections.

*C. What we do with them*

1. All scrap tickets are priced at the standard unit cost of material, labor and burden up to and including the operation shown, then multiplied by the quantity on the ticket to arrive at the total material, labor and burden cost. They are then broken down by department and credited to inventory in process and charged to department expense (scrap account) monthly.

2. A further breakdown is necessary in making up monthly published scrap reports, such as reasons for scrap (defective material, factory error or change in design) and by S.P.A. order number.

**SALVAGE TICKETS***A. What they are*

Salvage Tickets Form F-202A Rev. are reports to the Accounting Department showing production parts to be saved and further processed. It also takes the place of a Production Order insofar as authorization for manufacturing goes. The following information is shown:

1. Part number
2. S.P.A. number
3. Date
4. From section
5. To section
6. Operator responsible (if possible)
7. Operation responsible
8. Section responsible
9. Last operation number
10. Quantity

11. Inspector
12. Reasons for salvage
13. Foreman's signature
14. Description of operation
15. Section work is to be performed in
16. Class of salvage (defective material, factory error or change in design)

*B. Why they are necessary*

1. They are necessary so as to eliminate opening of production orders every time salvage work is necessary and to show reasons for salvage.

2. They are necessary so that the Accounting Department may issue monthly salvage reports.

*C. What we do with them*

1. No. 1 copy is kept in the Accounting Department and filed in numerical order. Copy No. 3 which will accompany the operator's job card is filed by S.P.A. order and part number. The operator's job card is checked to be sure that it carries the same information that is on the salvage ticket. These job cards are accumulated monthly and a summary is made of the total labor reported on salvage at the operator's labor rate. This summary is then credited to the direct labor account and charged to department expense (salvage account).

2. Monthly reports are made up showing the amount of salvage work performed. This report is prepared by segregating departments performing work, then segregating the class of salvage work such as defective material, factory error or change in design, then by section performing work.

*D. What would happen if not received or incorrectly prepared*

We would not be able to determine our scrap and salvage loss or make up accurate reports showing the causes of same. We could not show departments or sections responsible for losses.

STEPHEN HABBE

*Division of Personnel Administration*

## Evaluating Nonsupervisory Salaried Jobs

**I**N appraising the value of their nonsupervisory salaried jobs, thirteen large industrial companies analyzed each job by a variety of criteria. Three of these companies use only eight factors; one uses as many as thirteen. But because conditions vary from company to company and because there is no general agreement on the characteristics which are a true measure of the worth of a job, the thirteen companies define and use a total of forty-eight more or less distinct factors, which are listed in the table.

The qualification "more or less" is used advisedly.

"Errors" as defined by one company differs little from "accuracy" as defined by another. One company evaluates jobs in terms of "sociability"; its definition of that factor is not very different from the definition of "contact with others" employed by several other companies. One company considers "mentality" as measurable in terms of "extent of education"; another visualizes the term as including "a consideration of the level of abstract reasoning needed." In short there is considerable, and unavoidable, overlap in the definitions of the various factors.



PERCENTAGE WEIGHTING OF FACTORS IN EVALUATING NONSUPERVISORY SALARIED JOBS,  
IN THIRTEEN COMPANIES

Item	Company No. 1	Company No. 2	Company No. 3	Company No. 4	Company No. 5	Company No. 6	Company No. 7	Company No. 8	Company No. 9	Company No. 10	Company No. 11	Company No. 12	Company No. 13
<b>Skill</b>													
Education.....	15.6	16.0	16.4	12.6	16.4	16.2	14.5	15.7	15.5	7.4	17.8		
Experience.....	26.0	23.0	19.7	25.2	40.0	17.3	23.6	23.3	9.3	16.7			
Education and experience.....			16.0										
Training and experience.....													
Type and extent of training.....													
Training time.....													
Mentality.....	12.5		7.8	16.8									
Analytical requirements.....	9.4		15.6										
Judgment.....	12.5		4.9										
Complexity of duties.....					19.7	16.2	15.2	11.8	15.5	9.3			
Complexity and judgment.....								17.3					
Initiative.....	16.0		15.6		13.2			11.6					
Initiative and responsibility.....											22.2		
Resourcefulness.....			4.9										
Expression.....	6.3												
Memory.....			4.9										
Manual or motor skill.....			8.2	5.0								1.9	5.6
Knowledge.....				10.1									
Knowledge of organization.....				7.6									
Knowledge of company practices and policies.....				6.7									
<b>TOTAL.....</b>	<b>56.3</b>	<b>58.0</b>	<b>62.3</b>	<b>54.8</b>	<b>58.8</b>	<b>69.0</b>	<b>57.7</b>	<b>55.1</b>	<b>60.7</b>	<b>56.0</b>	<b>54.3</b>	<b>64.8</b>	<b>65.5</b>
<b>Responsibility</b>													
Confidential data.....		5.0				4.5	3.8		3.9	3.9			
Monetary.....	10.0								11.8				
Cash or company property.....											11.1		
Decisions affecting cost.....			15.6										
Dependability and accuracy.....			3.1	10.1									
Accuracy.....					13.2							7.4	8.9
Errors.....						14.4	12.2	11.6		12.4			
Integrity.....				7.6									
Supervision received.....	5.0			8.4			9.1		6.3	9.3			
Cooperation and contact.....			15.6										
Contacts with others.....				8.4	13.2	14.4	12.2	11.6	9.4	12.4			8.9
Public contact.....											7.4		
Sociability.....			6.6										
Goodwill and public relations.....	10.0												
Service.....	6.3												
Reports and records.....		5.0											
Responsibility.....			11.5										
<b>TOTAL.....</b>	<b>31.3</b>	<b>10.0</b>	<b>18.1</b>	<b>34.3</b>	<b>34.5</b>	<b>26.4</b>	<b>33.3</b>	<b>37.3</b>	<b>23.2</b>	<b>31.4</b>	<b>38.0</b>	<b>25.9</b>	<b>17.8</b>
<b>Effort</b>													
Mental application.....	6.3	7.0	4.9	4.7			1.5						
Physical application.....	6.3	7.0	6.6	3.1		2.0	0.8	8.1	4.7		3.7		
Visual attention.....		7.0					1.5						
Mental-visual demand.....						4.5		3.9	3.9				
Physical strain on senses.....													5.6
Continuity of work.....													5.6
Close application.....												1.9	
Nervous strain.....												1.9	
Effort.....				6.7									
<b>TOTAL.....</b>	<b>12.5</b>	<b>21.0</b>	<b>11.5</b>	<b>7.8</b>	<b>6.7</b>	<b>2.0</b>	<b>4.5</b>	<b>3.8</b>	<b>8.1</b>	<b>8.7</b>	<b>3.9</b>	<b>7.4</b>	<b>11.1</b>
<b>Working conditions</b>													
Working conditions.....		6.0	8.2	3.1		2.6	4.5	3.8	8.1	3.9	3.9	1.9	5.6
Unavoidable hazards.....		5.0											
<b>TOTAL.....</b>	<b>0.0</b>	<b>11.0</b>	<b>8.2</b>	<b>3.1</b>	<b>0.0</b>	<b>2.6</b>	<b>4.5</b>	<b>3.8</b>	<b>8.1</b>	<b>3.9</b>	<b>3.9</b>	<b>1.9</b>	<b>5.6</b>
<b>GRAND TOTAL.....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

And even when two of the companies use the same factor and define it in the same way they seldom give the common factor the same weight relative to all the other factors. The table shows for each company the weight assigned to the maximum grade of each factor, taking the sum of the weights of all factors as 100%. Thus one company considers "experience" as 26.0% of the salaried job, another, as only 15.6%. One assigns 8.1% of the job to "physical application,"

another assigns only 0.8% to "physical application."

Some of the plans under consideration include a factor "supervision of others." The number of points allocated to this item varies considerably from plan to plan, depending on how high up into the supervisory structure the job evaluation program extends. Since in the present analysis attention is focused on the nonsupervisory salaried employee, this factor has been disregarded.



One of the plans under consideration recognizes one factor common to all jobs in the same degree. The plan labels this an elemental factor and describes it as follows:

"As a basis for employment, the company demands certain characteristics which are considered essential for all positions, such as willingness to work, a certain ambition, neatness, personality, honesty, dependability, certain physical specifications, etc., and therefore, when considering wage differentials between jobs, we do not attempt to rate these common factors but instead base all rating differentials on the prime position factors above these common ones.

"Lack of these characteristics are obvious and will destroy all chances of promotion.

"To grant a value for these characteristics and to value them similarly for all jobs, we are inserting a constant factor which we call "elemental" and assign it 45 points."

It is evident that the relative maximum weight assigned different factors depends to some extent on whether the evaluation plan is designed only for non-

supervisory employees, or whether it covers first- or second-line supervision, or even higher levels. It is clear that in evaluating the jobs of rank-and-file employees, considerations of working conditions and of effort of the kind usually measured in these plans are relatively more important than in appraising supervisory jobs. On the other hand, in supervisory jobs, skill and responsibility are usually considered to be of relatively greater importance. For example, of the companies studied, the one assigning greatest weight to skill factors, 69%, extends its plan to higher echelons as well as to nonsupervisory positions.

The salary evaluation plans of the following companies are among those included in the report: Cleveland Graphite Bronze Company; Consolidated Vultee Aircraft Corporation; Koppers Company, Inc.; Minneapolis-Honeywell Regulator Company; National Broadcasting Company, Inc.; and Pacific Gas and Electric Company.

HERBERT S. BRIGGS

*Division of Personnel Administration*

## Labor Press Highlights<sup>1</sup>

### *Reservists May Be Strikebreakers*

A. F. Whitney, president of the Brotherhood of Railroad Trainmen, warns members against joining the Transportation Railway Service Organized Reserve of the United States Army, reports the *Trainmen News* (Brotherhood of Railroad Trainmen). "They might find themselves under military orders to serve as strikebreakers," he writes in a letter to other BRT officials.

### *Snub*

Third party stumpers, says the *Union Reporter* (AFL unions in Maryland, New Jersey and Pennsylvania), are sporting "Wallace for President" cravats. But, chides the *Reporter*, "the dull blue and white jobs with Henry A's picture do not bear a union label."

### *"Best Industry Pattern This Year"*

The 17½ cents won by the oil workers from a large oil concern, which is now being met by other oil companies, is by far the best industry pattern set this year, editorializes the *Oil Worker* (Oil Workers International Union, CIO). "We don't get the headlines," says the editorial, "but the Oil Workers International Union continues to do the best job of representing its members of any union in the nation."

### *T-H "Blessing" Seen in Committee's Move*

Blessings were conferred upon the Taft-Hartley law, says the *Weekly News Service*, (AFL), by the Congressional

<sup>1</sup>From the June labor press.

watch-dog committee on labor-management relations when it voted to do nothing about the law this year. The committee's action was taken, says the *Service*, despite "the overwhelming evidence presented by labor spokesmen showing the ill effects of the law upon labor-management relations."

### *Foremen Near Senate Pay Level*

Machinist union foremen in Alaska salmon canneries, reports the *Machinist* (International Association of Machinists, ind.), receive a minimum daily rate of \$43.60—"almost as much as a United States Senator gets." Approximately 1,000 IAM members now work in Alaska canneries. Air lines serving the area are booked heavily to fly another 4,000 fishermen and machinists to Alaska for the three-month canning season.

### *Attacks Importation of Mexican Labor*

Immediate suspension of a labor-recruiting agreement between the United States and Mexico signed this year is called for by H. L. Mitchell, president of the AFL's National Farm Labor Union. "A trend has been set in motion," he says in a report issued by the *AFL Weekly News Service*, "which will eventually affect working and living standards in every country in the Western Hemisphere."

### *Escalator Clause Called Ancient*

The "escalator clause" of the General Motors' contract may have outlived the old-time medicine show, but it's almost as ancient, says the *News* (District 50 and United



Construction Workers, UMWA). It was used by the United Mine Workers of America half a century ago and abandoned by them more than thirty years ago. Experience proved, it says, that fixing wages solely upon a cost of living basis is economically unsound from the worker's standpoint.

#### *No Welcome Mat for GM Formula*

As negotiations get down to brass tacks, they are discovering that application of the General Motors' cost of

living formula may not benefit unions generally and would hurt at least one section of UAW members, says the *Local 599 Headlight* (UAW-CIO Local 599). In Detroit tool and die shops, negotiations for a 20-cent hourly increase were stalemated, reports the *Headlight*, when the employers, pointing to the fact that tool and die rates had gone up more than 69% since 1940, said that the union was not entitled to a raise under the GM cost of living formula.

HAROLD STIEGLITZ

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## A Goat Promotes Safety

**N**O GOAT is more unpopular than the "superintendent's goat" at the Bemis Bro. Bag Company's Alabama mill. But every time a department has a lost-time accident, the goat is stationed right outside the overseer's office. There it stays until the injured worker is back on his job again.

The unwelcome goat shown in the accompanying illustration is white, fifty-three inches high and is mounted on a small platform on wheels. On its side is printed in two-inch letters: "This Department Had the Last Lost Time Accident." The word accident is painted red and can be clearly seen all over the room.

Departments visited by the goat are subjected to "quite a bit of good-natured kidding" by other departments, according to the superintendent. But the results are gratifying. Overseers make every possible effort to keep the goat away from their divisions.

#### THREE SAFETY COMMITTEES

The company maintains three safety committees to conduct its safety program—general, inside and outside committees. The first group is composed of the general manager, assistant manager, mill superintendent, engineer and chairman of the safety council (members of inside and outside safety committees). The other two groups (two members each) consist of employees selected by the chairman of the General Safety Committee.

Inside safety committee members inspect the plant once a month for safety hazards and careless workers. The outside committee studies safety conditions in the mill yard, village and other areas surrounding the plant which might conceivably present safety problems for employees. Both groups submit monthly written reports of their observations and recommendations to the general safety committee.

Practical recommendations are accepted and adopted immediately. Committee members check up on their effectiveness one month after they have been put into practice.

All committees are active and participate in regularly scheduled monthly meetings.

ETHEL M. SPEARS

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## Survey of Personnel Problems:

# "A Way To Do It Better"

*A widespread interest in employee suggestion systems has recently begun to emerge. Experience has varied considerably and, in view of the current interest in the subject, we are eager to learn about your experience with formal suggestion plans.*

*Some companies, either from experience or as a matter of policy, are opposed to the idea of a suggestion system. If your company is in this group, your comments will be equally helpful and enlightening.*

**T**WO THIRDS of the cooperating companies<sup>1</sup> have formal suggestion plans. Almost half of these speak of their plans in enthusiastic terms. Among the remaining cooperators, attitudes are about equally divided. Some merely acknowledge the existence of a suggestion plan without further comment. Others are critical of their plans but feel that the advantages outweigh the disadvantages. Still others appear "resigned to continue" their plans but emphasize various disadvantages or limitations that make them question their over-all value. A significant number denounce the philosophy of formal suggestion plans, as do some of the executives whose companies do not have formalized suggestion plans.

### FIND SUGGESTION SYSTEMS UNSOUND

One of the executives who challenges the soundness of suggestion systems says: "It is my opinion that any company installing a suggestion system in its production department thereby admits that it is lacking in certain qualifications of supervision. A good supervisor instills within the workmen under his control the feeling that they are a definite and valuable part of the department and, as a result, ideas and suggestions would come from them spontaneously." He then adds that "it is probably not possible to find such perfection in business." Yet his first thought is substantiated by another cooperator who says:

"I am convinced that formalized employee suggestion systems are not only unnecessary but basically unsound.

<sup>1</sup>A Conference Board survey in 1947 covering approximately 3,500 companies disclosed that 30% of the cooperators have employee suggestion systems. The coverage in that survey was vastly greater than the current survey. It therefore undoubtedly furnishes the more reliable picture of the prevalence of suggestion systems. The prevalence of suggestion systems in the current group of cooperators therefore becomes important primarily as a backdrop in interpreting attitudes and experience with suggestion plans.

This represents a distinct about-face on my part after I became connected with a company employing almost 4,000 people with no formal suggestion plan. I never believed it possible for a company to receive as many enthusiastically offered suggestions—all without any special suggestion campaigns or hoopla of any kind.

"Why? Simply this—every executive and supervisor was constantly reminded by his superior of the advantages to everyone to handle every suggestion with the utmost care and eager consideration. Anyone who had an idea found that as soon as he talked to his boss about it, his boss immediately made an appointment with the proper person so that the man with the new idea could present it personally. When an idea was good, members of the management always made it a point to compliment the suggester informally.

"As a result, employees did not have to be urged to offer suggestions; yet monetary rewards were extremely rare, and, when they were made, they were not publicized by the company. This wasn't because the company was cheap or tight. On the contrary, it felt that too many cash rewards would eventually halt or diminish the flow of ideas."

The executive of another company that has purposely refrained from installing a formal suggestion system says:

"We do not favor the formal plan because it by-passes the employee's supervisor. This tends to make the supervisor unenthusiastic about his employee's idea and he is further worried that this channel is used as a means of knifing him. Furthermore, we feel that this by-pass robs the foreman of one of his best personal contacts with the employee. We have also found that many of our employees find difficulty in expressing their ideas on paper."

One of the cooperators in this group has "had experience with three suggestion plans in three separate industries. Two have failed and the third is struggling for its existence." He believes, as do several others, that suggestion systems "aggravate rather than improve morale." He also raises the question as to whether it is not more economical in the long run for a company to get improvements by employing a management-consulting firm or by adding a staff of industrial engineers "to constantly check methods." He seems to believe, on the other hand, that a suggestion system might make a contribution to some companies if it is properly installed and administered.

Some executives believe it is relatively easy to make a suggestion plan successful for the first few



months after it is installed. But they are worried about the letdown that they feel is inevitable unless "an unreasonable amount of time and effort is devoted to stimulating the plan." The statement of the personnel executive of a petroleum company is typical of those in this group:

"The drawbacks of a suggestion system include the following: (1) to be properly operated it would consume a substantial amount of high-priced time in evaluating suggestions, determining amounts of savings as a basis for award, and explaining rejected suggestions; (2) unless it is very well managed and the basis for calculating awards is an equitable one, it may do more harm than good to employee morale. . . ."

Several other cooperators shy away from a suggestion plan because they fear the plan will breed dissatisfaction. One of these says that "about two years ago we investigated the subject matter carefully and reviewed the experience of others. We concluded that the administrative and personnel relations problems were such that we did not care to become involved in the controversies that the experience of others indicated were almost certain to develop."

A New England manufacturer who used to have a suggestion system also feels that the plans have doubtful value. "We found it difficult," he writes, "to avoid discrimination against the employee or the supervisor in trying to determine the real authorship of many suggestions. Employees also seemed inclined to resent dismissal of their ideas and to question the company's evaluation of acceptable suggestions. In addition, very considerable time of qualified persons was required—time we felt could be spent better in other ways."

Similar administrative problems are the concern of an executive who says that "suggestion plans are not entirely a bed of roses." Although he feels that his company is sure to make money from a reasonably good suggestion plan, it has encountered misunderstanding with regard to these questions: Who should be eligible to receive an award? Should craftsmen or professional employees on experimental work be rewarded for ideas pertaining to their regular work? What limits should be put on types of suggestions for which specific individuals may receive awards?

#### UNFAVORABLE CIRCUMSTANCES

Reorganization of the company and major changes in products covering long periods of time are reasons advanced by a few of the cooperators who do not have formal suggestion systems. In one case "plans for changes and expansion have not yet leveled off to the point where a suggestion system could be installed without undue confusion. . . . We have more work on our drawing boards and many more ideas for improving operations than we could put into effect so that suggestions from employees would in

many, many cases duplicate the plans we have. We always come to the decision that explaining this to employees, or, in fact, proving it to them, would create a new set of problems which would offset the value of the suggestion system."

Some types of business preclude the successful operation of a suggestion plan in the opinion of three of the cooperators—a wholesaler, a machinery and tool manufacturer, and a building service and management concern. The latter believes that "an organization engaged in a service business has no adequate yardstick to measure such intangible returns as improved public relations, etc., which might accrue from employee suggestions; in consequence, it may find that differences of opinion with regard to the value of the suggestion has an adverse effect on employee morale and the system becomes a source of dissatisfaction to both employer and employee. This was also my experience in an entirely different type of service business."

A midwestern company had a suggestion system "some twenty years ago and it turned out badly. We are therefore like burned children—fearing fire but being fascinated by it. I have studied employee suggestion systems rather completely over the last four years and . . . it seems quite clear to me that no suggestion system is going to work without vigorous backing on the part of top management. Only when I am sure that I will have such backing will I be ready to embark on a suggestion system."

A summarization of executive opinion requires this observation: Careful analysis of the attitudes of those who question the value of formalized suggestion plans indicates no lack of eagerness to receive suggestions from employees. On the contrary, the point of departure between the pros and the cons seems to be in the method of stimulating and securing suggestions. As one cooperator points out: "A formal suggestion system is really nothing more than a substitute for an important phase of management which many companies have been able to perform satisfactorily in an informal manner."

#### FAVOR SUGGESTION SYSTEMS

Most of the replies from the relatively large number of cooperators who say their plans have been highly satisfactory contain considerable specific information. The following highlights may be of interest.

There does not appear to be any correlation between the length of time a suggestion plan has been in existence and the degree of the plan's success. Several of the most successful plans are of relatively recent origin. But a number of plans that have been in existence for more than a quarter of a century were successful at the outset and continue to be highly satisfactory.



Benefits derived from the successful suggestion plans are numerous. Among the more frequently mentioned are:

- Savings to the company
- Improved morale
- Increased interest in the job, in the company and its operations
- Effective two-way method of communication
- Improvement in the company's products or services
- Opportunity for increased income to alert employees
- Increased knowledge of personal characteristics that are important in selecting individuals for promotion, transfers and layoffs
- Reduction in number and severity of accidents
- Receipt of suggestions that would not be received without a formal plan
- Satisfaction of the inherent desire to do things better

### Ingredients That Count

Experience of the many cooperators who have successful suggestion systems provides many practical answers to the question of what makes a suggestion plan successful. The items most frequently emphasized are:

- Support of top management
- Clear-cut assignment of responsibility for the plan's administration
- Indoctrination of each member of management in his part in the plan's procedure
- Adequate schedule of awards
- Clear-cut determination of eligibility
- Company-wide coordination of the plan
- Skilfully designed forms
- Employee understanding of the plan
- Prompt and competent processing of suggestions
- Prompt and complete replies to suggestions not adopted or not given awards
- Publicity appropriate to the plan
- Adequate permanent records of suggestions

Representative replies from cooperators whose plans are satisfactorily operating follow:

"The suggestion plan which is now in effect was initiated in both of our plants on April 5, 1948. As a consequence, our experience with the present setup is limited to a two-month period. During that time we have received approximately 350 suggestions.

"Some of the points which we considered important when implementing the plan follow:

"1. The suggestion system was explained to each employee by means of an informative booklet. This presentation was sent to each employee approximately one week before the plan was started. In addition, teaser posters were used to stimulate interest in the plan prior to its inception and discussions were held with the union representatives in order to obtain their cooperation. It should be noted, however, that we did not consider it desirable to have union representatives serve on the suggestion committee.

"2. The supervisory personnel may not submit suggestions because we consider them part of the management group and want to build up that conception. The first line supervisors, however, participate, inasmuch as they receive 10% of the total amount awarded to those employees working under their immediate direction. Our experience to date has indicated that this provision encourages the foremen to aid the suggester in the development of his idea.

"3. A close follow-up of every suggestion is essential. The employee must be convinced that his idea is being given careful consideration by qualified people. Consequently, a personal follow-up is made."

\* \* \*

"Our suggestion system was installed in 1910. At the present time, we are spending considerable effort in the promotion of suggestions through the use of our plant newspaper and bulletin boards. We are receiving on the average seventy-five suggestions a month from approximately 5,000 employees. Approximately 30% of these suggestions are being adopted, and in 1947 our total savings amounted to \$74,186. For these savings our awards totaled approximately \$9,000.

"We provide suggestion blanks at sixteen suggestion boxes located at strategic points throughout the plant. The suggestions are collected, processed, and sent out to the proper supervisor for investigation. A tickler file of suggestions which are being investigated is maintained. In this way we expedite the answers which are then considered by a committee. The suggestion committee comprised of manufacturing, time and motion study, engineering, and industrial relations personnel meets one afternoon each week to consider the answers submitted by the investigators. Unsatisfactory investigation is often referred back to the investigator for more information.

"When the committee determines that the suggestion will be adopted and decides upon the eligibility of the suggester, the suggestion is referred to the accounting department for calculation of the award. The award is based upon 10% of the direct labor or material savings. In cases where there is no saving of this nature, the award is based upon 2% of installation.

"When the saving is calculated, a check is made out and given to the suggester's immediate superior or any other between the foreman and the works manager depending upon the size of the savings. The presentation is usually made with a certain amount of ceremony and pictures for plant publicity.

"I thought it best to give you the procedure outlined in the previous page which is a rough outline of how we operate at this plant. We do not have any one individual who spends his full time on investigation of suggestions. Two members of our industrial relations department expedite the investigations, while a stenographer devotes practically full time to filing, letter writing, etc.

"We have considered naming an investigator to spend full time on suggestions. However, because of the complications and ramifications of the suggestions which we receive, we do not believe any one individual is qualified to make the decision for or against adoption of a suggestion.



"One of our major problems is the determination of eligibility. Broadly speaking, the suggestion must be outside of what is expected from the man on his job. Procedure and precedents aid considerably in refining this definition.

"Another problem of major importance is the length of time which certain types of suggestions require for investigation. The problem requires the constant attention of the industrial relations department member of the committee, but, even so, we are far from happy with our record.

"We classify our suggestions into seven groups. The majority of our suggestions concern shop methods, tools, jigs, fixtures, and dies, which is one of our classifications. The next ranking classification in order of suggestions received is safety. Then comes property and manufacturing equipment followed by the classification of finishes, change or salvage of material. The general classification of testing, welfare, and education comes next, followed by the classification of apparatus and products. We receive the least number of suggestions on forms and stock items.

"Every effort is made to obtain the cooperation of managers, department heads, foremen and their assistants in cooperating with the procedure and assisting employees in developing suggestions.

"As our over-all company report indicates, the savings amount to a considerable sum over a period of a year's time. We also believe that our system brings a great deal to employee morale and opportunity."

\* \* \*

"The suggestion system is one of the most wholesome and constructive methods for benefiting both the employer and the worker. Ideas flow from the workers to management, and recognition of the suggestions flows back from management which makes for a two-way system both on the basis of human relations and constructive value.

"In one of our divisions we have had a suggestion system since 1912, during which time over 58,000 suggestions have been received. It has maintained interest from the start, reaching its greatest heights during the last war, and right now we are in the process of breaking all peace-time records. In 1947 alone, more than 5,000 suggestions were received, and to date in 1948 receipts are 20% ahead of the corresponding period of last year with a relatively small change in employment status.

"The suggestion system tremendously improves the know-how in manufacturing accomplishment. If all the knowledge of our employees concerning engineering, planning and production of our products could be analyzed and added to that already possessed by the staff responsible for those activities, the results could not help but show a distinct improvement. In these days of competitive markets greater productivity must come from technological improvements and greater interest on the part of the workman. To secure these improvements, some incentive must be provided to induce the employee to make the effort involved in thinking up a good idea. The awards must be liberal, and the suggestion must be processed quickly so that the company can get the benefit of the idea as soon as possible. A good many employees work in a monotonous routine. A suggestion system offers a pleasant means of getting him out of the rut."

"Besides the economic advantages there are improvements in product, safety and maintenance conditions which result in a more efficient plant. In addition, giving the operator an opportunity to express his ideas improves morale among the employees, and this open door policy of expressing ideas directly to management has a tendency to keep supervision and staff alert to improvements.

"The department head receives all notices of rejections so that he can explain to the suggester just why his idea cannot be adopted. He also passes out the awards for approved suggestions with a word of encouragement to each individual. Being in on both types of suggestions, he is in a preferred position to determine which of his employees are exercising initiative, ingenuity, and interest in the welfare of the company. This information is very valuable when it comes to selecting employees for promotion to supervisory positions. Our suggestion system can point with pride to having been the means of acquainting management with the names of employees who were given opportunities to become supervisors and made good."

\* \* \*

"The over-all control of our plan's administration is accomplished through a suggestion system coordination organization located at our New York headquarters. Its functions are:

"1. To interpret matters of policy so as to provide consistent operation of the system at all locations.

"2. To coordinate the investigation of suggestions where application is possible at other than the originating department or location.

"3. To prepare consolidated reports of the effectiveness and extent of the system's operation.

"4. To aid in promoting and publicizing the suggestion system.

"Actual operation is decentralized. Suggestion organizations have been established in all the major divisions of our business although they vary somewhat in the details of their structure. For instance, at each of our three factory locations the suggestion system is under the direction of a full-time administrator reporting to the superintendent of industrial relations. These organizations are responsible for directing investigation and determining whether or not an award is to be granted. The permanent personnel of these groups are largely supervisory or clerical. The actual investigating work is performed by technicians loaned to them by our engineering or methods departments. The period of loan is indefinite, the thought being to use this assignment somewhat as a training post. Weekly, these investigators meet with their respective assistant superintendents, review the investigated suggestions and recommend adoption or nonadoption. The assistant superintendent in charge of the suggestion organization is the final authority as to the amount of award. Also, it is his signature that appears on the personal letter of notification to the employee.

"Our sales division, which has a different problem, follows another procedure. Their personnel is distributed into twenty-nine distributing houses situated throughout the country. Each of these houses has a suggestion committee



consisting of one-half supervisory and one-half nonsupervisory representation. These committees receive all suggestions from employees, make a local investigation and forward their findings to a central committee at New York. This committee reviews and finally approves them. The central committee also determines whether application of the suggestion is possible at other houses than the originating one.

"Similar organizations serve the installation division people and the personnel located at their New York headquarters.

"The promotional media used consists chiefly of posters and news items in our various organizational papers. Stress is placed on making suggestions about the suggester's own job. The objective sought in following this theme is:

"1. To encourage an interest and enthusiasm on the part of the employee in obtaining job knowledge.

"2. To improve the quality of suggestions.

"3. To develop potential candidates for future promotion.

"During the four and one-half years the cash award plan has been in existence, over 72,000 suggestions have been received. About 25% of these have been found usable and approximately \$230,000 has been paid out in awards. It is our opinion that the tangible savings which have accrued to the company through the use of these adopted ideas have been sufficient to make the activity largely self-supporting. However, the intangible benefits to be gained from operating a suggestion system are not to be regarded lightly. Presently about 80% of all suggestions received refer to production operations rather than to the more general category of workers' services and conveniences. This seems to indicate to us that our continued emphasis on the submission of suggestions concerning one's own job or another close to it is bearing fruit. We do believe that the existence of the suggestion system has tended toward an expansion in employee job interest and training.

"In addition, a suggestion system is a medium whereby an employee can communicate with management as an individual. If one will consider the 20,000 suggestions a year we are currently receiving as 20,000 opportunities for individual contact and discussion, the potentialities of this feature are immediately recognized. Many suggestions have a personal implication to the suggester that is much deeper than the technical content might indicate. Even though, as in the majority of cases, adoption is not possible, much is gained through an open and detailed explanation of the circumstances surrounding the situation. Where adoption can be made, the morale-building possibilities are obvious."

\* \* \*

"We initiated a formal employee suggestion plan in 1931. After more than sixteen years of operation we are convinced that such a plan has a definite place in our personnel program for the following reasons:

"1. It is one of the most prolific and logical sources of ideas for the improvement of products, operations, safety.

"2. It provides individual recognition by rewarding employees for their usable ideas.

"3. It encourages free expression of employee opinions

regarding company policies, production processes, working conditions, etc.

"4. It stimulates management thinking by employees, affording them an opportunity to think beyond the limited sphere of immediate work assignments.

"Our experience indicates that the following factors are among those necessary for the successful operation of a suggestion plan.

"1. Active interest and support of management, particularly at the plant management and immediate supervisory levels. An apathetic attitude on the part of management will sabotage the entire plan. Active interest and support should include the endorsement of suggestion plan objectives, the insistence that suggestions be answered promptly and diplomatically, frequent inquiry about the progress of particular suggestions, and the provision of adequate clerical help.

"2. Carefully prepared forms and procedures to facilitate prompt receipt, investigation, and reply to all suggestions, whether accepted or rejected. There is a direct relationship between the promptness with which suggestions are processed and the number of suggestions received. A backlog of pending suggestions will cripple a plan to the extent that several months may be required to revive normal suggestion activity. Forms and procedures should be designed to free the investigator (usually the supervisor) from unnecessary controls of classification and evaluation.

"3. Adequate publicity to continually stimulate employee participation. Several media, including bulletin board posters, booklets, and plant newspapers and magazines, should be used to publicize the plan. Particularly important is publicity during the induction of new employees and at the time awards are announced. Contrary to popular opinion, our experience with publicity campaigns indicates that the resulting increase in suggestions received is not necessarily accompanied by a decrease in the percentage of usable suggestions (approximately 33%).

"4. Definite assignment as a staff function of suggestion plan administrative responsibility to one individual (a suggestion chairman) or group of individuals (a suggestion committee) who can become the intermediary between the anonymous suggester and the suggestion investigator, as well as becoming the expeditor of the suggestion procedure.

"There are two unusual provisions in our suggestion plan. The first is that all employees are eligible for participation providing that the suggestions are submitted in writing prior to the time that action is taken by the company to put the idea into practice and that the suggestion does not concern routine maintenance or work changes considered in line of duty. The second is that we have established a suggestion classification procedure whereby a suggestion, when accepted, is classified into one of seven different classifications according to the nature of the suggestion.

"Under these classifications three types of awards are payable: (1) an immediate payment without regard to the value of the suggestion; (2) an immediate award based on estimated tangible savings or value up to \$250; (3) an



additional award payable upon review at the end of six months and one year based on estimated savings or value of over \$250 during the first year. This classification procedure permits the suggestion investigator to make a paper and pencil estimate of any savings or value, thereby authorizing immediate payments and immediate awards without the complication of a control by accountants or industrial engineers. This procedure enables the prompt processing of suggestions which we feel essential to an effective suggestion program."

\* \* \*

"We have had a suggestion system in operation at our works for a number of years and one was inaugurated during the war at our Pittsburgh works. These plans are similar in that they are supervised and administered by our industrial engineering department and an award of \$5 is given to any employee whose suggestion is accepted. A further award is made on the basis of the saving to the corporation on an annual basis. This award is one twelfth of the annual saving and for that reason the suggestion system has not been too popular. Any company that has a suggestion system should be willing to pay at least one half of the annual saving to an employee who is ingenious and interested enough in the company to make a suggestion for its benefit. We have some hope that the present system will be changed shortly as a study is being made with that purpose in mind.

"We have been publicizing the awards for suggestions in our monthly magazine with the hope that other divisions of the corporation will adopt some sort of suggestion system.

"A suggestion system to be successful must have considerable publicity and that has been one of the shortcomings of our present plan. Until we inaugurated the monthly magazine last fall the only method of advertising the suggestion system was through the bulletin-board method and the copy was not too attractive. It was merely a report of current awards to employees. An efficient suggestion system costs considerable to operate but if done properly is well worth the expense involved for it does not take many worthwhile suggestions to save the amount expended on administration.

"Foremen are not eligible for awards under our suggestion system as it is felt a part of their function to improve conditions and save money for the corporation wherever possible. We have many repeaters among our employees who have been encouraged by receiving an initial award."

\* \* \*

"Our company has progressed during the last ten years from a one-plant to a multiplant operation. During the intervening years we have naturally experienced a great many problems in extending our various personnel practices and policies to our branch plants.

"We have had a suggestion system in effect at our principal plant for a great many years and, on the whole, are quite definitely of the opinion that it has been a healthy influence in our organization and a valuable management tool. Until 1945, we had a very modest plan with a top award limit of \$25. However, this plan was extensively modified in 1945 with a provision for major awards up to a maximum of \$500. A major award must be approved by

an executive, or senior suggestion committee, which meets periodically to consider such awards. The formula for determining the amount of a major award is 10% of the savings which it is estimated the suggestion will accomplish during the first year of its utilization. In other respects our suggestion system is quite conventional with the usual employee suggestion committee acting upon suggestions, anonymously submitted, in the first instance. Near each suggestion box is a conveniently located writing desk with suggestion blanks and all other facilities necessary to enable employees to submit their suggestions without undue inconvenience on their part.

"So far as our principal plant is concerned, with a total of some 1,500 employees, there were seventy-nine awards in 1945 for a total of \$2,335, the average award being \$29.50. In 1946, there were 119 awards for a total of \$2,280, with an average award of \$19. In 1947, awards numbered 101, totaling \$1,598, with an average of \$15.94. The variations in the average award over these years result from the fact that in 1945 there were four major awards for a total of \$1,323; in 1946, three major awards for a total of \$527; and in 1947, a major award for \$200.

"Having established what seems to be a successfully operating suggestion system at our principal plant, we have gradually extended it to our other plants, utilizing the same publicity methods and materials. We are presently attempting to develop a system for processing interplant suggestions. In other words, where it appears to a local plant suggestion committee, after making an award for a particular suggestion, that the suggestion might be of value to one or more other plants, it is brought to the attention of the committee of such other plant or plants and becomes eligible for an additional award.

"Needless to say, we publicize the winners of these suggestion awards as dramatically as circumstances permit. We take photographs of the individual receiving his award from the executive in charge of his particular division, or his plant manager, and these photographs are prominently displayed on suggestion boards and also in our monthly plant publications.

"The suggestion system has been an exceedingly desirable industrial-relations device, and we fully expect to continue it, and from time to time to consider liberalizing its provisions. Incidentally, our supervisors and technical men are not eligible to receive an award. However, at least as far as supervisors are concerned, this fact does not seem to depreciate the value of the suggestion system in their opinion, as is evidenced by a recent attitude survey which we conducted among members of our supervisory personnel at our principal plant."

\* \* \*

"Although we have used a suggestion system for a number of years, the program was revised on June 1 of last year to include a number of changes over the previous plan.

"Since last year there has been tremendous renewed interest on the part of the employees in the suggestion program and all levels of supervision have evidenced enthusiasm and interest in the system. In our opinion, the success of such a program depends upon its acceptance by the personnel and the degree to which it is sponsored by factory



supervision. In the year since the plan has been in effect, 2,639 suggestions have been received and nearly a third have been adopted, with awards totaling \$13,300. It is estimated that the total savings from the plan during this year amount to \$105,000. We are more than pleased with the progress which is being made and are entirely sold on the merit of the suggestion system program."

\* \* \*

"The main purposes of our suggestion program are to improve employee morale and to get valuable production suggestions. We feel that these goals are being accomplished. Both supervisors and employees are enthusiastic about the plan.

"On May 31 there were about 28,000 eligible to participate in the plan. (The number of eligible employees increases regularly as the program is expanded.) We have received approximately 2,631 suggestions, and the percentage of suggestions adopted to suggestions reviewed is 31.5%. The awards that have been presented to the employees submitting suggestions average approximately \$50 each. The highest award paid to date is \$724.42. The amount of awards is based on the amount of savings realized by the company as a result of the adopted suggestion. Employees whose suggestions have been adopted receive the first two months' saving to the company, or about 16% of the first year's savings."

\* \* \*

"In general, we believe our plan has been successful in that it has given an outlet, with a possibility of reward, to the inherent desire of most employees to do things better. Of course, the problems which arise under the administration of any suggestion system are numerous, and constant vigilance is necessary to avoid having the plan become a liability instead of an asset.

"Over the period of twelve years in which we have operated a suggestion system, the plan has been crystallized gradually on the basis of experience. We have received some worth-while ideas from the suggestion system, and at the same time we feel that the plan has contributed in a constructive manner to employee morale. We found that in order to maintain the latter contribution, it is most essential that every suggester be given an answer in detail even though his idea is rejected."

\* \* \*

"We're heartily enthusiastic about our plan and have a uniform system installed in nearly all our plants. Offhand, I would say that this would total at least twenty-five. I've never been able to understand why there are those who oppose the suggestion system. After all, the biggest contribution an employee can make is through his thinking, and that should be encouraged and properly rewarded.

"During 1947, there were 27,942 suggestions submitted, 10,461 adopted and \$57,386.48 paid to suggesters."

\* \* \*

"We believe that the most obvious comment on our plan is the fact that it is now in its thirtieth year, and is unquestionably going stronger than ever. The success of the program varies, depending on the interest of local manage-

ment and the effort which is applied in its administration. Another important factor is the size of the awards, and where these have been inadequate or where they have completely ignored the resultant savings, the effect on participation has not been good. On the other hand, capital awards are considered to be honorary and do not bear any direct relation to the size of the savings involved, which is expected to be reflected in the initial and supplemental awards.

"One constant source of controversy has been the inclusion or exclusion of the supervisory group. It is frequently claimed that supervisors are not cooperating because they feel that they are excluded from the program. Actually, they are only excluded from capital awards and could be granted adequate recognition through the initial and supplemental awards if the suggestions are outside the scope of their duties. We believe that a successful coin-your-ideas program demands constant supervision, and publicity will not succeed if it is a sideline of a busy executive or department head. Wherever the size of the group is large enough, it justifies a full-time administrator who with us is usually designated as the secretary to a local coin-your-idea committee.

"On the whole, our program has been a constructive force in improving operations and in furthering employee morale, but even in those units where it has been most actively promoted, the surface has been only skimmed. Certainly, there are limitless opportunities for improving techniques which only await the concentrated thought of some interested individual."

\* \* \*

"Our company has had an employees' suggestion system for a great many years. Prior to the war, there was a period during which few suggestions were received. During the war a number of suggestions came in; shortly after, there was a falling off, but more recently a greater number have been coming in.

"Suggestions are received by a committee composed of management and representatives from the employees, who are union members. Top management holds the right to veto any suggestion, or any decision by the suggestion committee. However, all recommendations of the suggestion committee have been accepted.

"The usual payment for suggestions runs from about \$5 to a top of \$75, although there is no reason why a larger amount would not be paid if the suggestions seemed to warrant a greater payment."

\* \* \*

"The suggestion system in Pitney-Bowes (and you can quote us if you need to) is a *major* plank in our employee relations platform, and an outstanding source of employee efficiency, job pride and morale. Moreover, I believe if you will check some of the figures in the box score—particularly those covering the average award and the extent of employee participation—you will find our system has approached or even broken some national records."

\* \* \*

"Our plan was first put in effect on July 17, 1929. The stated purpose was to get suggestions which would result



in eliminating delays. A \$5 award was provided for an approved suggestion resulting in speeding up the work. The plan was altered on May 14, 1943, to provide for larger awards as a means of stimulating interest. An announcement was made to the home office staff that suggestions were wanted which would result in saving labor, supplies or equipment, or in the improvement of some part of the company's work. A three-man committee, consisting of the vice president and mathematician, comptroller, and secretary, was appointed to formalize the processing and consideration of the suggestions which previously were handled principally by the individual department heads. This plan was extended to the employees in our agency offices on January 20, 1944.

"In August of last year, the suggestion plan was given a broader place in company affairs. A member of the clerical staff was added to the committee, a special aide was named to assist the committee in making a systematic examination of the details and relationships involved.

"The suggestion form gives the whole story. We believe that this makes for freer use of the plan and is in line with our personnel philosophy of letting our people know not only what is being done, but also how it is being accomplished. This form sets a pattern for employees in expressing their ideas and its use gives evidence of more exact thinking and writing on their part. With a clearer presentation of ideas the suggestion can be reviewed and acted on faster.

"Interest is stimulated primarily through our magazine for home office employees, which lists all recipients of awards with a brief notation identifying the suggestion. Usually, approved suggestions which have effect throughout the company are written up in detail and pictures are often printed of those winning the higher awards. However, we feel that the best means of maintaining continued interest is through adequate handling of rejections. A personal letter, giving the reasons why the suggestion was not approved and signed by the president of the company, is given to the suggester by his department head. Opportunity for further discussion is provided.

"Here is a summary of the report made at the end of last year:

	<i>Total Received since Expansion of Plan, May, 1943</i>	<i>Awards Paid</i>
Suggestions from home office employees.....	434	\$3,758.50
Suggestions from agency offices...	175	682.00
	<u>609</u>	<u>\$4,440.50</u>
Suggestions received in 1947....	131	\$1,080.50
Approval percentage.....	76%	
Rejection percentage.....	19%	
"Irregulars" percentage.....	5%	

Average award \$12—(Individual award range: \$6.50 to \$100)

"Awards are made on the basis of estimates of one year's savings if they can be determined. No fixed percentage is followed, but we do stay within a 10% to 20% range. Recently, an award of \$225 was passed on by the committee.

"We have not, as yet, made an estimate of the total savings principally because of the time and effort such a

study would require. However, we do recognize the intangible benefits which accrue; of these, the formal assured avenue of expression it gives our people is the most important."

"Our attitude toward suggestion systems is that they provide a medium for the employee to express himself to the company on any subject where he feels there should be a correction or an improvement. The committee consists of the plant manager, as chairman, the director of research, the chief engineer and the job rating supervisor who acts as secretary for the committee. They are the final authority for acceptance or rejection and for the amount of the award. They try to process the suggestions as quickly as possible, realizing the importance of the time element, but find that occasionally prolonged delays occur in the department where the suggestions are assigned and in other departments for opinions on the recommendation as to the applicable features of the suggestion.

"No attempt is made to increase the number of suggestions by yearly prizes or by contests. Normal publicity is generally in the house organ, and the local newspaper generally receives those that are more valuable than the others."

\* \* \*

"About a year ago, we installed a formal suggestion system at our textile plant in the South. We did this with the idea that it would serve as a test installation to see whether it would be desirable to extend this program to our other plants. So far, the results have been satisfactory and we are considering installing systems in all of our mills. In a recent employee opinion survey at our mills, about 82% of our employees expressed interest in a suggestion system.

"It is our feeling that the value of a suggestion system cannot be measured solely in terms of the acceptable ideas presented. This is particularly true in plants like ours which are unorganized. One value of a suggestion system is that it provides us with an additional channel of communication with our employees. In our case, for example, every employee who submits a suggestion is interviewed personally. This enables us to talk with many of our employees about things which might not otherwise come to our attention. Thus we feel the system, if viewed from the standpoint of our over-all industrial relations objectives, is of value to us.

"We doubt whether a company which installs a system for the sole purpose of obtaining ideas which result in savings to the company would find the cost justified. Perhaps our own ideas will change somewhat as we have more experience in this field."

\* \* \*

"Our experience with this plan has been particularly favorable, and we have enjoyed first-place position during the year 1947 for employee participation among all the divisions of the corporation.

"The following figures may be of interest to you:

"1. Employee participation: 5.1% per 100 employees.

"2. Total awards—1947: \$10,020 paid to 543 winners.

"3. Highest single award paid in 1947: \$700.

"4. Approximately 30% of suggestions submitted deserve awards.



"5. The plan provides five separate classes of awards, depending upon the type of suggestion submitted.

"6. The general type of award is in the form of United States savings bonds."

\* \* \*

"Employees' suggestions systems have been in effect in a number of our plants for quite a number of years. During 1947, there were 2,144 suggestions submitted, of which 832 were accepted. They came from plants having a total employment of about 4,200 employees.

"The employees' suggestion plan offers an opportunity of expression to individuals who are reluctant to submit suggestions directly to their foremen—either by reason of non-acceptance by the foremen—or for any number of other reasons. It also satisfies the desire for dramatized recognition to those individuals who seek such limelight and who would otherwise be thwarted. The system also offers the opportunity for recording, in the individuals' personnel files, some factors of influence in the rating of the employees, in that it may measure to some extent their imaginative or thinking capacity. The announcements of the suggestions offered have been a stimulant for the promotion of other suggestions. They have been one of the tools for further improvement in processes, or techniques, brought about by the original suggestion itself.

"The suggestion system itself probably accounts for only a comparatively few of the total suggestions submitted by employees in the course of their work of performance. A large majority are offered by the employees to their foremen or supervisors in the regular course of their day's work. For these they desire only the recognition from the foreman that the suggestion has been accepted. But the suggestion plan does reach many other employees, and provides an outlet for their expressions which otherwise might not have been manifested."

\* \* \*

"We are in favor of suggestion plans generally. We have such plans in existence in practically all our plants. Many of them are of many years' standing, so that the idea is by no means new for us.

"On the other hand, we are not among those which utilize and promote the use of such systems as aggressively as many companies. This is partly owing to the varying conditions in our different operating divisions. Also, the plans are operating on a divisional or plant basis, rather than on the basis of one formula applying to the whole company.

"We think of the contacts that are generated as being very wholesome ones and attempt to encourage people to be interested generally in their job and in the company.

"We attempt to relate the award to a percentage of saving for a year, and in outstanding cases extend the computation beyond that point. Generally speaking, at each plant a suggestion committee will promptly review, classify, and answer all suggestions received. Every attempt is made to encourage personal contact with the suggester so that he may feel sure he is receiving full consideration and so that all the production possibilities of the suggestion may be explored. We try to deal with the matter promptly and in a businesslike manner, so that the general, as well as the specific, benefits may be realized."

"Your letter is most timely as we are just about to wind up our current employee suggestion contest. The present series of suggestion contests have been in effect since last fall. Prizes were awarded for the outstanding suggestions that made the hotel a safer place to work, that improved its service, or that reduced its operating costs. Suggestion contests have been running here for some time, but the current one, which we expect to renew again in the fall, has been the first series of this type of contest since the war.

"Our experience is that monthly contests cover too short a period and we have been awarding prizes every two months during the current year.

"The response to our employee suggestion contest has been most gratifying and successful. We have found as high as 20% of the suggestions submitted worthy of serious consideration. These suggestions are first screened by the department heads and then passed on by a committee of judges. Aside from the practical help received from these suggestions, we have found that the morale of our employees has improved and that considerable interest and some pleasant rivalry have resulted among the contestants.

"When the cash prizes are awarded at the end of each contest a presentation is made by myself as president of the corporation and photographs taken of the prize winners. These photographs are released not only through our house organ but to all the trade publications. We have had very good response in placing these photographs and the short story about each contest. The employees' reaction to this type of publicity has been most favorable."

\* \* \*

"We have had a suggestion system in effect for over thirty years. In the last few years, activities of this kind have been encouraged by a special award of a plaque to the division showing the best point score. We now have about 200 approved suggestions a month. Many of the awards are for small amounts, but in the last few years there has been one award for \$2,500, one for \$1,500 and one for \$1,000.

"The expense of investigation of suggestions is considerable. For this reason, suggestions qualifying for small awards probably do not save the company any money. On the other hand, the system has an excellent effect on morale and for this reason the intangible benefits are substantial. The savings resulting from the suggestions that qualify for the larger awards are considerable and we believe that the suggestion system is an important factor as an incentive to our staff to consider improvements in operations.

"Occasionally some dissatisfaction develops because a suggester feels that the amount of the award is not so large as it should be. These are mostly cases of relatively unimportant suggestions for small awards. They are not serious, however, and are much more than counterbalanced by the good effect on the staff in general.

"For a suggestion system to be helpful, it is necessary that it get the full support of management. This means top management to begin with and then division management all the way through. All suggestions are addressed to the



president of the company—an indication that the system has full executive backing.”

\* \* \*

“The original system declined in value to the employees and the company to a point two years ago where a decision was necessary either to abandon the project or completely revitalize it. The circumstances causing the decline were entirely within the company and in no way reflected the possible value of a suggestion system.

“Management in our company, at all levels, right through first-line supervision, participated in revitalizing the system and it is our belief that it will become a vital factor in inspiring and stimulating employees to joint in the effort to maintain this company as one of the progressive leaders in the industry.

“We look upon the system as an exceptionally valuable channel of communication both ways. It provides a method for rewarding outstanding effort of employees whose pay rates are uniformly set by contract. It creates a feeling of conscious participation in the company’s progress on the part of employees who contribute acceptable ideas. It brings to light employees who have certain elements of leadership such as initiative and imagination. It gives full rein to individuals’ freedom of speech we read so much about and, as a result, it clears the atmosphere of animosity toward the unknown.

“To attain these things requires a system organized to perform—not just a suggestion system but one that has spirit along with the body. We feel that we have one like that.”

\* \* \*

“We have had suggestion plans in existence for many years and particularly emphasized them during the war years. The success or failure of a plan depends entirely upon the interest on the part of the plant manager. This interest cannot be artificially stimulated by pressure from the central office.

“Some managers feel that suggestion systems are more trouble than they are worth and cause a lot of hard feelings. Their contention is that employees are always making suggestions that are already in the works or that are impractical. We have had excellent results in two plants where the managers have taken considerable personal interest. At one location, the manager would contact the family without the employee’s knowledge and arrange for his award to be in some permanent improvement in the home. By this means he got the wives and families of all employees pressuring papa to send in his ideas. At another plant, the plant manager is exceedingly generous in his awards and in his praise. The number of suggestions received at that plant far exceed those at others.”

\* \* \*

“We have had a suggestion plan which has been in operation for more than a dozen years. Any procedure of this kind which can draw upon the practical experience and intimate job knowledge of employees for ideas which may result in a variety of worthwhile improvements is beneficial not only to the company but also to the employee.

In this latter instance, we have noted the development of greater employee interest and initiative because the plan has helped to stimulate employee thought and to provide facilities for expressing, as well as converting, such thought into action. It has likewise aided in identifying the more alert and promising employees.

“Our program makes no provision for the payment of monetary awards to employees for accepted suggestions. It is administered entirely by the management group at each plant. We have been reasonably successful in obtaining a substantial number of workable ideas for improvement.

“We have recently been considering the advisability of including a monetary award feature. Our investigation in this connection has disclosed a variety of opinion of other companies contacted. Those which have been operating successfully with monetary incentive stress the importance of carefully and soundly administering the program. Other companies, which have abandoned plans with cash awards claim to have done so because of administrative difficulties which led to broken employee morale.”

\* \* \*

“There has been a formal suggestion plan in existence in this company since 1925. The degree of participation of employee rose steadily until a high was reached during the period of World War II. Since that time, the participation has been somewhat erratic, recently, because of the strike.

“A system properly administered provides a means for employees to bring their ideas and suggestions for improvement to the attention of interested people. Our plan embodies full name identification on all suggestions and this permits personal contacts with suggesters with resultant benefits. In this respect, suggestion plans are an important means of communication. They provide natural opportunities for discussions about the business.

“During the twenty-three years that our program has been in existence, awards amounting to \$475,000 have been paid to employees for adopted suggestions. The company has benefited from these adopted suggestions in the form of tangible savings as well as many intangible items such as improved safety, better working conditions, better morale, etc.

“Incentive plans are quite common for encouraging greater production. The suggestion program is an incentive plan which will result in greater production but which has as its primary objective the development of ideas and encouraging people to think. Suggestion plans are truly a basic part of our free enterprise system.”

\* \* \*

“We have a system in practice in our stores, and it works, briefly, as follows:

“All the suggestions in each store are thoroughly reviewed by the manager and other executives in his store. If they feel that the suggestion has merit for their own particular store, an appropriate award is made to the person. If they decide that the suggestion has merit not only for their store, but also for the entire chain, an award is made and the suggestion then forwarded to the home office suggestion



committee for consideration. Thus, if it is adopted for use throughout the chain, it is possible for the suggester to receive two awards.

The system is worth while. Interest in it and results shown are in direct proportion to the push and interest given to it by the executives in each particular unit."

\* \* \*

"Your current review of experience in employee suggestion systems is a timely topic as far as we are concerned. We have recently completed the first year of administering such a program and have just completed an analysis of our experience. Inasmuch as we received an unusually large number of suggestions even for the first year of operation, we feel that the plan has provided a much-needed opportunity for employees to express their ideas to management. The excellent response to the program reveals a basic problem in communications; the suggestion system has been one effective means of meeting this situation.

"In view of the novelty of freely receiving suggestions from employees, the management members of the reviewing committees have, in some cases, tended to react negatively. We are having a difficult problem in selling top management on the value of the program. Their usual com-

plaints center around the time required by officers in reviewing suggestions. We have also had to combat the idea that suggestions from employees reflect supervision's inefficiency. But even with these problems and lack of support from some officers, we continue to receive large numbers of suggestions with a quality comparable to that reported by other companies."

\* \* \*

"Our suggestion program has been in operation since 1927. Though its effectiveness has fluctuated somewhat through the years, it has been fairly successful. From time to time, in order to keep in step with changing conditions we have initiated changes and alterations in the over-all system and have found that a degree of flexibility is essential for continued interest by employees and continued return to the company. We have not received an unusual wealth of suggestions during recent years but those ideas which have been submitted by employees eligible to participate in this program have been of high caliber and of value.

"The plan now in effect will continue to operate until the time the committee in charge recognizes that changes would enhance its effectiveness."

S. AVERY RAUBE

*Division of Personnel Administration*

## Trends in Labor Relations

### Thirteen-month Checkoff Questioned

The United Steelworkers of America, CIO, has instructed all local union officials to—"immediately arrange conferences with the management of all companies" and attempt to secure acceptance of the new checkoff form. A number of industrial relations executives have questioned the steel union's checkoff authorization form, principally because they doubt whether the revocation feature provides effective escape within lawful time limits.

#### Checkoff Card Form

The Steelworkers' checkoff card is in two parts, each part requiring separate execution by the member. The first part is an assignment which is irrevocable for one year or until termination of the current collective agreement. The second part is a rider which continues the authority of the assignment for additional periods unless canceled as provided.

#### Assignment

Effective date, July 1, 1948

"Pursuant to this authorization and assignment, please deduct from my pay each month, while I am in employment within the collective bargaining unit in the com-

pany, monthly dues (not to exceed \$2), assessments (not exceeding \$2 per year) and (if owing by me) an initiation fee (not to exceed \$3) each as designated by the international secretary-treasurer of the union, as my membership dues in said union.

"The aforesaid membership dues shall be remitted promptly by you to David J. McDonald, or his successor, international secretary-treasurer of the United Steelworkers of America or its successor, 1500 Commonwealth Building, Pittsburgh 22, Pennsylvania.

"This assignment and authorization shall be effective and cannot be canceled for a period of one year from the date appearing above or until the termination date of the current collective bargaining agreement between the company and the union, whichever occurs sooner.

Ledger No.

Check No.

Employee Signature

*Rider*

"I hereby voluntarily authorize you to continue the above authorization and assignment in effect after the expiration of the shorter of the periods above specified, for further successive periods of one year from such date, provided there is then a collective bargaining agreement between the company and the union providing for a checkoff of union membership dues. I agree that if appro-



prate under federal law this authorization and assignment shall become effective and cannot be canceled by me during any of such years, but that I may cancel and revoke by giving to the general superintendent of the plant in which I am then employed, an individual written notice signed by me and which shall be postmarked or received by the company within fifteen days following the expiration of any such year or within the fifteen days following the termination date of any collective bargaining agreement between the company and the union covering my employment if such date shall occur within one of such annual periods. Such notice of revocation shall become effective respecting the dues for the month following the month in which such written notice is given; a copy of any such notice will be given by me to the financial secretary of the local union.

Form 100-0

.....  
Employee Signature"

### "Rider" Legality Questioned

Reaction of industrial relations executives to the steel union's checkoff form seems to run from outright acceptance of the form to some doubt as to its legality. They raise little question as to the legality of the assignment portion as an independent instrument.<sup>1</sup> But some feel that the rider probably renders the assignment "irrevocable for a period of more than one year, or beyond the termination date of the applicable collective agreement," thereby raising doubt as to the legality of the checkoff form as a whole.

An industrial relations executive of a large multi-plant company expresses his views, in part:

"The matter of deducting and remitting dues is controlled by Sections 302 (a) and 302 (c) of the Taft-Hartley Act which provides in pertinent part as follows:

"(a) It shall be unlawful for any employer to *pay or deliver, or to agree to pay or deliver*, any money or things of value to any representative of any of his employees who are employed in an industry affecting commerce.

"(c) The provisions of this section shall not be applicable . . . (4) with respect to money deducted from the wages of employees in payment of membership dues in a labor organization; Provided, that the employer has received from each employee, on whose account such deductions are made, *a written instrument which shall not be irrevocable for a period of more than one year, or beyond the termination date of the applicable collective agreement, whichever occurs sooner.* . . ."

"The foregoing provisions became applicable on July 1, 1948, to current collective bargaining contracts in force

<sup>1</sup>The "assignment" covers the checkoff of initiation fees and assessments. On May 12, 1948, John A. Stephens, Vice President of United States Steel Corporation, wrote a letter of understanding to Philip Murray and in this letter he stated that "should it appear that interpretations of federal law raise questions regarding . . . deductions of fees and assessments . . . we will have to reconsider the matter of deducting fees and assessments."

on the date of enactment of the Taft-Hartley Act.

"The consequent legality of the checkoff form as a whole depends upon whether the effect of the rider upon the assignment constitutes it 'a written instrument which shall not be irrevocable for a period of more than one year, or beyond the termination date of the applicable collective agreement,' in accordance with the proviso of Section 302 (c) (4). The form approved by the Department of Justice<sup>1</sup> authorized remittance of assessments and initiation fees, and provided for automatic renewal. But, it also afforded a method of escape effective upon the expiration of each annual period or each applicable collective agreement, by notice given within a designated period prior to such expiration.

### Thirteen Month Checkoff?

"Assuming that the courts will approve automatic renewal features and the assignment of initiation fees and assessments to the extent of the checkoff form approved by the Department of Justice,<sup>1</sup> it appears that the steel union's checkoff form exceeds the scope of the former. Here the rider requires that written notice to cancel 'shall be *postmarked or received* by the company *within fifteen days following the expiration of any such year or within the fifteen days following the termination date* of any collective bargaining agreement . . . Such notice of revocation shall become effective respecting the dues for the month following the month in which such written notice is *given* . . .'. Although cancellation is predicated upon and measured from the giving of notice, there seems to be a studious avoidance of any provision for the giving of notice which would effectually terminate the assignment not later than respective expiration dates.

"Applying general principles of construction it would seem that notice under the rider may not be effectively *given* until notice is *postmarked or received* within the fifteen-day period following expiration of any year or applicable collective agreement. Thus the assignment may endure for at least one month beyond a lawful period. In some cases this would mean a thirteen-month checkoff. In this respect the steel union's checkoff form exceeds the form approved by the Department of Justice."

### Canadian Labor Relations Bill Introduced

A labor relations bill has been introduced in the House of Commons of the Canadian Parliament. The bill is similar in a number of respects to the National Labor Relations Act and the Taft-Hartley Act.

According to *The Labor Gazette*, official publication of the Canadian Department of Labor, the bill provides for:

"1. The definition and prohibition of unfair labor practices on the part of employers, unions and other persons.

"2. A procedure for certification of trade unions as bargaining agents for employees.

"3. A procedure for compulsory collective bargaining

<sup>1</sup>"Trends in Labor Relations," *The Management Record*, June, 1948, p. 322.



and the negotiation of collective agreements, and conciliation in connection therewith.

"4. Prohibition of strikes and lockouts, the taking of strike votes and changes in terms of employment until the collective bargaining and conciliation procedure prescribed in the act has been complied with.

"5. Collective agreements to be binding upon the employer and the trade union who are parties thereto, and the employees covered thereby, and a procedure for final settlement by arbitration or otherwise, without stoppage of work, of grievances arising under the agreement.

"6. Prohibition of strikes and lockouts while a collective agreement is in effect.

"7. Penalties for violation of the provisions of the act by employers, employees or trade unions or employers' organizations.

"8. The establishment of a representative board, to be known as the Canada Labor Relations Board, to deal with applications relating to the right of trade unions to represent employees for collective bargaining.

"9. The appointment of industrial disputes inquiry commissions to inquire into industrial matters or disputes.

"10. Cooperative arrangements with provinces in relation to the administration of provincial labor legislation similar to the Dominion legislation and the application thereof to any industry."

### Checkoff for Nonmembers?

An industrial relations executive of an eastern manufacturing company raises a point about an aspect of checkoff which concerns his firm and which he believes will have to be considered by a number of other firms within the next few months. He writes:

"Subsequent to the enactment of the Taft-Hartley Act, but prior to its effective date, we negotiated an agreement with a CIO union that has not yet complied with the filing provisions of the act. As a consequence, any agreement on union security was limited to one year. We agreed in negotiations to a maintenance-of-membership provision which expired at the end of one year, the exact dates varying from contract to contract. In one typical agreement, for example, the maintenance of membership provision expires on July 1, 1948. As this union has not complied with the requirements of the Taft-Hartley Act, it is not in a position to ask for any elections on union security.

"At the same time, however, we have received written authorizations from our employees couched in much the same language as that on which Mr. Tyson asked Mr. Washington for his opinion.<sup>1</sup> This means that any of our employees who wish to do so may resign from the union at any time, but there is still some unexpired time in their dues authorizations, most of which were dated during September, 1947.

"We have received a number of notifications from employees informing us that they had resigned from the union and that we were to cease checking off their dues.

<sup>1</sup>Ibid.

This poses an interesting question. The checkoff authorization, signed by an employee, authorizes the company to check off from his wages his "current dues of the union." It seems obvious that if an employee is no longer a member of the union he has no current dues and, hence, the authorization is null and void, even though a year has not expired since the checkoff authorization was signed by the employee. We have informed the union that the company's position is that an employee's resignation from the union automatically cancels his dues authorization. The union has disagreed with our stand."

This problem is still a moot question for many industrial relations executives. It may not be solved until the National Labor Relations Board passes down several decisions dealing with the various aspects of the problem. It may also require judicial review before the question is finally resolved.

### Preparing for Negotiations—Method II

The method used by an eastern manufacturing company in analyzing its contracts when it prepared to bargain was described by this department in May. An executive of a multiplant chemical company writes that he has developed another helpful method of analyzing contracts in order to prepare for collective bargaining negotiations. What he does is to paste each article of a given contract on a single left-hand page in the binder. On the opposite right-hand page, he makes notations throughout the year of desired changes. This industrial relations executive enclosed with his letter a copy of a contract which he dealt with in the above fashion. He used this material in his negotiations a few months ago.

Here are examples: on a left-hand page he had a closed-shop clause; on the right-hand side he had the excerpt from the state law that bans closed shops. There was also the legal opinion of the attorneys for the firm which said that the closed-shop clause could not be continued in that state. On another left-hand page is the old checkoff form. On the right-hand page is a proposed new checkoff form that complies with the Taft-Hartley Act.

The advantage of such a system is that it permits a marshalling of facts, ideas and opinions throughout the year. And when negotiations come up, the industrial relations executive has before him all the material prepared in the previous year.

### Company Proposes—Union Accepts

A labor relations executive of a large multiplant company writes that his company has 130 agreements in effect. These agreements cover affiliated companies and various trades and craft unions throughout the United States. He says that in practically all cases the agreements provided for a union-shop clause



before the enactment of the Taft-Hartley Act. Since the law was passed, his firm has experienced little or no difficulty in revising the language of the union-shop clause to comply with the law.

In an effort to standardize his company's contracts he has proposed the following union-shop clause to the unions:

#### *Recognition—Membership*

When authorized in accordance with the provisions of the Labor Management Relations Act, 1947, the parties hereto agree as follows:

1. The employer does hereby recognize the union as the sole labor organization representing the employees of the employer governed by the terms and provisions of this agreement and agrees to treat and negotiate with the union as the sole and exclusive bargaining agency for such employees.

2. Employees hired subsequent to the signing of this agreement shall be required to join the union thirty days after the date of their employment and shall be required to pay the periodic dues established by the union and remain members of the union in good standing as a condition of employment, provided that the employer may release such employees within the first thirty days without assigning any cause therefor.

3. The union shall be the sole judge of the good standing of its members and any employee covered by the terms and provisions of this agreement who shall hereafter cease to remain a member of the union in good standing as a result of failure to pay the periodic dues established by the union shall be discharged immediately upon written request of the union to the employer.

The executive says that in all cases up to the present, the unions have agreed to this union-shop clause and have agreed to petition the NLRB for elections so they may carry out its provisions.

With respect to the checkoff, the company has proposed the following clause in negotiations:

#### *Checkoff*

1. The employer agrees that it will make payroll deductions of initiation fees and dues of the union upon receipt of authorization signed by each employee, provided that such authorization shall be irrevocable for a period of not more than one year or upon the termination date of this agreement, whichever occurs sooner.

2. Such deductions shall be made not later than as of the 15th day of each month for said month and all money so deducted shall be immediately transferred to the financial secretary or other designated representative of the union. A written request for the deduction of such initiation fees and dues shall be submitted each month to the payroll department of the employer, signed by the president and financial secretary of the union.

3. The employer shall be held free and harmless from any liability whatsoever in the handling of such initiation fees and dues and shall require a receipt from the union upon the payment thereof.

He writes that in all cases, thus far, the unions have agreed to this checkoff clause as a provision in the union contract.

#### **No Communist Dealings**

A Western utility took the position that it would not negotiate a new contract with the locals of the Utility Workers Union of America unless the union officers filed noncommunist affidavits. The union locals voted to require signing of the affidavits but some of the union officers refused to sign and resigned.

In order to forestall the possibility of these individuals participating in the union leadership during the contract term by being subsequently elected to office or by being appointed as negotiators, the following clause was incorporated into the agreement:

"During the term hereof, the company shall not be called upon or expected to deal with any officer of the Utility Workers Union of America, CIO, or of any local thereof, who has failed to sign and file a noncommunist affidavit with the National Labor Relations Board, or with any individual who as an officer of said union, or of any locals thereof, has or shall have resigned from office due to failure to meet this requirement, or has been removed or shall have been removed from office for such failure."

JAMES J. BAMBRICK, JR.  
*Division of Personnel Administration*

## **Management Reading**

**Nine-Course Training Program Increases Worker Output**—An illustrated description of a new course of training at Johnson and Johnson which attempts to give the worker a broad view of company operations and general economic matters and which has resulted in improved production. By William Machaver, *Factory Management and Maintenance*, January, 1948.

**"Office Unions"**—A report on answers by 1180 companies in the United States and Canada on the status of unions in their offices. Tables and interpretation of data are presented with regard to geographic location, size of the company and type of business. *Survey Summary*, Number 3, National Office Management Association).

**Printers' Ink Directory of House Organs**—The titles of 5300 house organs identified as internals (those edited for employees, salesmen, plant or factory workers), externals (those for customers, dealers, distributors, stockholders and the public), and publications which are combinations of the two. The material is presented in three ways—an alphabetical arrangement of the titles, an alphabetical directory of companies sponsoring the publications and a geographical classification of the sponsors. This is the most complete listing of house organs available. Printers' Ink Publishing Company, 1947, \$5.00.



# SIGNIFICANT LABOR STATISTICS

Source: THE CONFERENCE BOARD, unless otherwise indicated

Item	Unit	1948					1947	Year Previous	Percentage Change	
		May	April	March	Feb.	Jan.	Dec.		Latest Month over Previous Month <sup>1</sup>	Latest Month over Year Previous
<b>Clerical salary rates<sup>2</sup></b>										
Billing machine operator.....	median in dollars	....	40	....	....	....	....	....	....	....
Calculating machine or Comptometer oper.	median in dollars	....	42	....	....	....	....	....	....	....
Office boy or girl.....	median in dollars	....	31	....	....	....	....	....	....	....
Stenographer.....	median in dollars	....	43	....	....	....	....	....	....	....
Telephone switchboard operator.....	median in dollars	....	43	....	....	....	....	....	....	....
Senior copy typist.....	median in dollars	....	39	....	....	....	....	....	....	....
<b>Consumers' Price Index</b>										
Food.....	Jan. 1939=100	219.6	216.8	210.9	213.2	218.9	216.9	a 197.5	+1.3	+11.2
Housing.....	Jan. 1939=100	110.1	110.1	110.1	109.9	109.9	109.9	a 104.7	0	+5.2
Clothing.....	Jan. 1939=100	156.2	156.3	156.8	156.5	155.7	154.0	a 149.3	-0.1	+4.6
Men's.....	Jan. 1939=100	168.4	168.3	168.5	168.1	166.5	164.4	a 161.6	+0.1	+4.2
Women's.....	Jan. 1939=100	145.8	146.1	146.8	146.7	146.5	145.2	a 138.9	-0.2	+5.0
Fuels.....	Jan. 1939=100	121.6	120.6	120.4	120.4	120.2	119.4	a 111.3	+0.8	+9.3
Electricity.....	Jan. 1939=100	90.0	90.0	90.1	90.0	90.0	89.9	a 89.8	0	+0.2
Gas.....	Jan. 1939=100	93.9	93.9	93.9	93.9	93.8	93.8	a 93.9	0	0
Housefurnishings.....	Jan. 1939=100	156.2	156.5	156.3	156.2	155.4	154.1	a 147.6	-0.2	+5.8
Sundries.....	Jan. 1939=100	144.7	145.0	145.0	143.8	143.9	142.6	a 137.5	-0.2	+5.2
All items.....	Jan. 1939=100	163.1	162.2	160.3	160.6	162.4	161.1	a 151.1	+0.6	+7.9
Purchasing value of dollar.....	Jan. 1939 dollars	61.3	61.7	62.4	62.3	61.6	62.1	a 66.2	-0.6	-7.4
All items (BLS).....	1935-39=100	....	169.3	166.9	167.5	163.8	167.0	156.2	+1.4	+8.4
<b>Strikes (BLS)</b>										
Beginning in period.....	number	....	p 275	p 225	200	175	120	479	+22.2	-42.6
Workers involved.....	thousands	....	p 175	p 500	70	75	30	624	-65.0	-72.0
Total man days idle.....	thousands	....	p 8,000	p 6,000	725	1,000	500	8,540	+33.3	-6.3
<b>Turnover rates in manufacturi'g (BLS)</b>										
Separations.....	per 100 employees	....	p 4.7	4.5	4.2	4.3	3.7	5.2	+4.4	-9.6
Quits.....	per 100 employees	....	p 3.0	2.8	2.5	2.6	2.3	3.7	+7.1	-18.9
Miscellaneous.....	per 100 employees	....	p .1	.1	.1	.1	.1	.1	0	0
Discharges.....	per 100 employees	....	p .4	.4	.4	.4	.4	.4	0	0
Layoffs.....	per 100 employees	....	p 1.2	1.2	1.2	1.2	.9	1.0	0	+20.0
Accessions.....	per 100 employees	....	p 4.0	4.0	3.9	4.6	3.6	5.1	0	-21.6
<b>Wage Earners</b>										
<b>All manufacturing industries (BLS)</b>										
Earnings, hourly.....	average in dollars	....	p 1.290	1.291	1.290	r 1.285	1.278	1.186	-0.1	+8.8
weekly.....	average in dollars	....	p 51.56	52.07	r 51.79	r 52.07	52.69	47.50	-1.0	+8.5
Hours per production worker.....	average per week	....	p 40.0	40.3	r 40.1	40.5	41.2	40.1	-0.7	-0.2
<b>Twenty-five manufacturing industries</b>										
Earnings, hourly.....	average in dollars	....	1.423	1.417	1.412	1.406	1.401	1.304	+0.4	+9.1
weekly.....	average in dollars	....	57.10	r 57.67	57.27	57.35	57.54	52.79	-1.0	+8.2
Hours per production worker.....	average per week	....	40.2	40.7	40.6	40.9	41.1	40.5	-1.2	-0.7
Employment.....	1923=100	....	128.2	r 129.9	129.7	130.0	130.1	128.6	-1.3	-0.3
Total man hours.....	1923=100	....	104.7	r 107.4	107.0	108.0	108.6	105.8	-2.5	-1.0
Payrolls.....	1923=100	....	275.1	r 281.5	279.1	280.2	281.3	255.1	-2.3	+7.8
Wage-rate increases.....	average per cent	....	6.4	7.7	9.5	8.0	7.5	7.2	....	....
Production workers affected.....	per cent	....	2.6	1.6	3.2	2.5	1.1	6.8	....	....
<b>Manufacture and distribution of gas</b>										
Earnings, hourly.....	average in dollars	....	....	....	....	1.320	a 1.260	1.206	+4.8	+9.5
weekly.....	average in dollars	....	....	....	....	57.86	a 53.07	53.41	+9.0	+8.3
Hours per wage earner.....	average per week	....	....	....	....	43.4	a 41.5	43.8	+4.6	-0.9
<b>Generation and distribution of electricity</b>										
Earnings, hourly.....	average in dollars	....	....	....	....	1.418	a 1.395	1.316	+1.6	+7.8
weekly.....	average in dollars	....	....	....	....	61.41	a 60.94	56.48	+0.8	+8.7
Hours per wage earner.....	average per week	....	....	....	....	42.6	a 42.7	42.2	-0.2	+0.9
<b>Class I railroads<sup>3</sup></b>										
Earnings, hourly.....	average in dollars	....	....	....	1.354	1.339	1.335	1.199	+1.1	+12.9
weekly.....	average in dollars	....	....	....	67.43	66.96	65.91	60.04	+0.7	+12.3
"Real" weekly earnings.....	1923=100	....	....	....	170.8	167.9	166.3	165.0	+1.7	+3.5
Hours per wage earner.....	average per week	....	....	....	49.8	50.0	49.4	50.1	-0.4	-0.6
<b>Agricultural wage rates per month<sup>4</sup> (BAE)</b>										
With board.....	average in dollars	....	102.00	....	....	101.00	....	96.20	+1.0	+6.0
Without board.....	average in dollars	....	97.00	....	....	95.00	....	91.50	+2.1	+6.0
Without board.....	average in dollars	....	113.00	....	....	113.00	....	107.00	0	+5.6
<b>New York City metro. area, seventeen manufacturing industries</b>										
Earnings, hourly.....	average in dollars	....	1.453	1.450	1.446	1.440	1.431	1.343	+0.2	+8.2
weekly.....	average in dollars	....	57.39	57.86	58.56	58.61	58.81	55.20	-0.8	+4.0
Hours per production worker.....	average per week	....	39.5	39.9	40.5	40.7	41.1	41.1	-1.0	-3.9

<sup>1</sup>Changes in Agricultural Wage Rates are quarterly.  
<sup>2</sup>Median of the middle 50%. New series; previously the modal salary was reported in this table.

<sup>3</sup>Derived from Interstate Commerce Commission reports.  
<sup>4</sup>As of first day of month.  
 aJune, 1947

pPreliminary

rRevised



## Clerical Salaries Paid in April, 1948

THE following summaries represent the tabulated results of the thirteenth in a series of surveys of clerical salaries conducted by the National Industrial Conference Board. The information was collected during April, 1948, and pertains to the salaries which were paid in that month by 514 companies to 44,835 employees. The data contained in previous sum-

maries do not lend themselves to time-to-time comparisons, since the cooperating companies are not identical in all the surveys. Fluctuations in ranges and averages from one survey to the next may reflect in part, therefore, the effect of variations caused by changes in cooperators.

(Text continued on page 370)

TABLE 1: DISTRIBUTION OF COOPERATING COMPANIES BY TYPE OF INDUSTRY

CITIES	Aircraft, Parts and Accessories	Automotive Vehicles Parts and Accessories	Banks and Trust Companies	Building Materials and Supplies	Chemicals, Drugs and Dyes	Coal and Coke	Communications and Broadcasting	Electrical Equipment Appliances and Supplies	Food, Beverages and Dairy Products	Instruments and Scientific Apparatus	Insurance	Leather and Leather Products	Machinery Accessories and Supplies	Metals and Metal Products	Organizations	Paper, Pulp and Paper Products	Petroleum and Petroleum Products	Printing and Publishing	Public Utilities	Research and Statistical	Soap and Toilet Preparations	Textile and Textile Products	Transportation	Wholesale and Retail Establishments	Unclassified Industrial	Unclassified Non-Industrial	TOTAL
Atlanta				1					3		2		2	1			2						2	3	2		18
Baltimore	1								2		3		5	2				1	1			1		1	2		19
Boston			2	1	1			2	1		3	1	6	1			3		2		1	3	3	2	1		33
Buffalo	1	1							1	1	2		2	1				1	1			1	1		3		16
Chicago			5	3	1			2	5		2		6	4		1	1		2	1			4	3	5		45
Cincinnati		1		1	3			1	2		1		3	1		1		1			2		2		1		20
Cleveland	2	1	1	1	1		1	1					6	1									1	1	2		19
Detroit		6	1	1	2		1	2	2		3		5	3					2				1	1	1		31
Houston			1										3	2			4		1					1	1	1	14
Los Angeles	3		1	2			1	2	3		2		3	1		1	3		2		1		6		2		33
Louisville				1					2		1		1				3							1	2		11
Milwaukee			1	1				3	2	1	3	1	1	1					1			1			1		17
Minneapolis-St. Paul			2	1	1				6		4		1	1		1			1				4	1	2		25
Newark	1				1		1	1			5	1	3	1										1	1		16
New York	1	1	6	2	4		4	2	8	3	4		4	2	1	1	6	3	3			8	5	5	7	1	81
Philadelphia			2	1	3	1	1	2	1	1	4		4	2			3		1				1	3	2		32
Pittsburgh				1				1	2		1		2	1		1	1		3					1	3		17
St. Louis	1	1	3	1	4				1		3	1	3	3			1	1	2				1		1		27
San Francisco			3	1					6		1		1	2		2	2		2				1	1	3		25
Seattle				2					2				3		1	1	1		2				1		2		15
TOTAL	10	11	28	21	21	1	9	19	49	6	44	4	64	30	2	9	30	7	26	1	4	14	33	25	44	2	514



TABLE 2: CLERICAL SALARY RATES, APRIL, 1948<sup>1</sup>

Cities	All Reports		Middle 50% of Reports			All Reports		Middle 50% of Reports			All Reports		Middle 50% of Reports		
	Range	Mode	Low	Median	High	Range	Mode	Low	Median	High	Range	Mode	Low	Median	High
	Office Boy (or Girl)					File Clerk					Receptionist				
Atlanta.....	\$23-40	\$31	\$30	\$31	\$32	\$20-72	\$52	\$30	\$34	\$52	\$28-69	\$28	...	...	...
Baltimore.....	21-34	27	27	27	29	21-48	22	23	25	34	31-48	32	\$32	\$37	\$43
Boston.....	22-41	27	27	28	34	24-58	27	27	28	33	29-64	32	32	43.50	48
Buffalo.....	16-45	29	26	29	33	24-55	51	35	38	51	35-48	44	...	...	...
Chicago.....	27-46	32	30	32	35	28-63	42	34	37	42	33-54	40	39	42	45
Cincinnati.....	21-35	30	26	30	31	23-50	28	28	30	34	28-44	...	...	...	...
Cleveland.....	23-52	39	30	35	39	30-72	37	35	37	42	31-63	38.46	38	42	46
Detroit.....	23-43	30	30	32	34	28-56	35	33	35	38	28-52	44.52	33	43	47
Houston.....	20-46	27	27	27	31	24-64	32	31	32	37	30-56	53	46	51	53
Los Angeles.....	25-56	47	38	42	47	28-68	36	36	40	48	30-66	46	46	53	58
Louisville.....	22-42	28	27	29.50	31	23-49	28	28	30	34	36-44	38	...	...	...
Milwaukee.....	22-38	27	25	27	28	22-58	28	27	28	31	32-46	...	...	...	...
Minneapolis-St. Paul.....	23-48	28.41	28	30	36	23-66	25	27	29	32	30-60	44	33	39	44
Newark.....	22-44	31	29	31	32	23-54	31	31	32	36	29-48	34	34	36.50	40
New York.....	24-46	30	29	30	33	24-67	30	32	37	42	29-60	35	35	39	44
Philadelphia.....	21-36	31	26	30	31	23-51	23	24	27	33	26-47	...	32	40	41
Pittsburgh.....	25-39	27	27	29	32	27-54	28	28	33	37	30-53	30.35	35	36	45
St. Louis.....	21-42	30	23	28	32	21-70	31	28	31	37	30-57	40	...	...	...
San Francisco.....	32-56	42	37	42	45	33-67	56	40	45	49	37-75	42	42	44	49
Seattle.....	29-41	37	...	...	...	35-56	44	40	42	44	.....	...	...	...	...
TOTAL.....	16-56	30	29	31	34	20-72	32	30	35	40	26-75	35	36	41	47

Cities	Billing Machine Operator					Bookkeeping Machine Operator					Calculating Machine or Comptometer Operator				
	Range	Mode	Low	Median	High	Range	Mode	Low	Median	High	Range	Mode	Low	Median	High
Atlanta.....	\$30-60	\$34	\$33	\$34	\$35	\$30-55	\$34.35	\$34	\$35	\$38	\$30-56	\$44	\$36	\$39	\$44
Baltimore.....	32-45	32	33	37	42	25-48	35	35	37	40	27-46	39	37	39	43
Boston.....	27-53	30	33	39	45	25-65	40	31	37	41	24-55	34	34	36	46
Buffalo.....	35-51	35.50	37	43	50	41-60	50	...	...	...	28-53	52	35	40	52
Chicago.....	30-54	42	39	42	47	29-59	35	35	40	44	30-61	39	38	42	47
Cincinnati.....	25-52	33.35	33	35	41	28-68	36	34	36	40	25-52	30.52	31	35	41
Cleveland.....	31-73	40	39	42	46	28-54	40	39	40	45	31-70	35	37	42	47
Detroit.....	29-58	42	40	42	46	30-59	40	38	41	46	28-58	38.48	39	44	48
Houston.....	28-64	37	36	37	40	33-62	39.43	40	47	53	21-64	40	37	43	49
Los Angeles.....	35-60	58	46	53	58	31-68	36	33	36	38	37-68	56	50	55	58
Louisville.....	33-53	...	...	...	...	25-47	30	30	33	41	28-57	30	31	36	42
Milwaukee.....	28-44	29.37	30	36	37	25-62	28.31	30	34	42	28-69	39.40	33	38.50	42
Minneapolis-St. Paul.....	28-62	57	34	38	57	29-62	54	33	36	43	25-56	37	35	38	43
Newark.....	28-52	36	36	37	39	26-55	40	35	40	43	29-62	40	39	42	47
New York.....	29-61	38	38	41	44	29-67	42	37	41	45	30-64	54	42	47	53
Philadelphia.....	27-48	36	35	37	39	23-69	33	30	34	38	27-54	40	33	38	42
Pittsburgh.....	28-50	32	32	41	47	30-53	40	38	40	43	26-50	40	37	40	41
St. Louis.....	30-58	56	36	43	54	25-56	36	31	36	40	23-63	46	31	38	43
San Francisco.....	37-67	40	44	48	52	38-62	38	40	42	47	37-65	56	47	54	57
Seattle.....	37-66	66	44	47	62	43-62	62	46	51	59	38-57	54	43	48	54
TOTAL.....	25-73	37	36	40	46	23-69	36	34	38.50	43	21-70	40	37	42	50

Cities	Junior Copy Typist					Senior Copy Typist					Stenographer				
	Range	Mode	Low	Median	High	Range	Mode	Low	Median	High	Range	Mode	Low	Median	High
Atlanta.....	\$25-38	\$34	\$32	\$33	\$34	\$29-56	\$45	\$33	\$38	\$45	\$30-62	\$40	\$35	\$40	\$44
Baltimore.....	22-39	25	25	25	32	27-48	41	32	38	41	25-52	44	37	41	44
Boston.....	25-45	28	28	30	34	26-52	31	31	34	39	25-69	40	35	40	47
Buffalo.....	24-41	31	30	31	34	29-47	41	35	39	41	28-55	46	36	40	46
Chicago.....	29-52	36	34	36	39	32-62	39	39	42	45	32-71	40	41	46	52
Cincinnati.....	25-40	36	29	33	36	25-48	35	32	35	38	26-59	35	35	37	39
Cleveland.....	26-55	36	35	36	38	30-61	42	34	38	41	31-69	40	38	43	50
Detroit.....	23-46	37	32	36	39	29-52	42	37	42	45	31-58	45	40	44	47
Houston.....	25-49	30	30	30	35	25-65	35	35	44	50	32-65	46	43	46.50	52
Los Angeles.....	29-65	54	33	39	51	32-58	40	39	42	44	32-64	56	45	50	56
Louisville.....	24-40	32	30	32	37	28-37	30	30	30	31	29-63	48	36	41	48
Milwaukee.....	25-39	30	29	30	35	23-43	31.37	31	35.50	37	25-53	31	31	37	42
Minneapolis-St. Paul.....	23-52	33	29	32	34	27-57	35	32	35	37	29-68	37	37	40	55
Newark.....	25-40	37	28	32	37	27-57	40	36	40	40	28-68	44	36	41	45
New York.....	26-59	32	32	34	38	23-62	39	37	39	45	23-71	39.40	39	44	49
Philadelphia.....	23-48	35	28	30	35	25-53	31	31	35	41	23-62	38	33	38	42
Pittsburgh.....	25-45	29	28	31	36	30-61	37	35	39	43	26-61	35	35	39	46
St. Louis.....	22-54	30	27	30	34	23-51	35	33	36	39	25-56	42	35	39	43
San Francisco.....	35-55	42	40	42	46	37-66	54	46	52	54	37-75	56	47	52	56
Seattle.....	34-44	38	35	38	40	35-44	44	41	44	44	39-59	47	47	48	50
TOTAL.....	22-59	33	31	34	38	23-66	40	35	39	44	23-75	40	38	43	49

<sup>1</sup>See *The Management Record* for July, 1946, for summaries April, 1943-April, 1946. Job descriptions are also published in that issue as well as in the issue of January, 1947



TABLE 2: CLERICAL SALARY RATES, APRIL, 1948—Continued

Cities	All Reports		Middle 50% of Reports			All Reports		Middle 50% of Reports			All Reports		Middle 50% of Reports		
	Range	Mode	Low	Median	High	Range	Mode	Low	Median	High	Range	Mode	Low	Median	High
	Key Punch Operator					Junior Dictating Machine Transcriber					Senior Dictating Machine Transcriber				
Atlanta.....	\$30-57	\$36	\$34	\$36	\$43	\$34-40	\$34	..	..	..	\$31-57	\$37	\$35	\$37	\$44
Baltimore.....	22-49	25,32	23	34	41	23-35	26	\$26	\$26	\$28	32-44	34,40	..	..	..
Boston.....	26-55	37	34	37	41	27-43	30	30	34	37	27-61	35	35	38.50	43
Buffalo.....	28-44	44	37	43	44	31-50	37	..	..	..	35-40	40	..	..	..
Chicago.....	31-60	39	38	40.50	44	30-46	36	36	36.50	39	31-60	44	39	44	48
Cincinnati.....	23-47	..	34	36	40	28-45	31	..	..	..	28-50	37,44	34	37.50	42
Cleveland.....	25-57	37	33	38	46	28-58	..	36	39	54	35-50	43	39	43	44
Detroit.....	29-55	50	40	43	47	27-46	..	35	40	45	32-57	46	40	46	50
Houston.....	34-60	37	37	41	47	36-59	39,43	..	..	..	36-55	52	..	..	..
Los Angeles.....	34-60	60	43	50	56	30-45	44	33	38	44	37-58	46	42	45.50	46
Louisville.....	34-46	36	36	39	45	.....	..	..	..	..	30-46	36	..	..	..
Milwaukee.....	27-43	28,40	30	34	39	29-32	31	..	..	..	30-48	35	35	37	41
Minneapolis-St. Paul.....	23-54	39	32	37	39	27-51	28	28	31	35	29-56	33,36	33	36	38
Newark.....	28-54	32	32	33	37	26-40	..	..	..	..	28-46	33	32	35	38
New York.....	28-60	41	34	38	41	30-50	37	33	37	40	29-77	40	40	44	51
Philadelphia.....	27-57	42	34	38	41	24-45	30	30	32	34	26-58	37	32	37	46
Pittsburgh.....	28-49	37	35	37	40	31-35	32	..	..	..	32-47	43	35	39	43
St. Louis.....	23-53	37	35	38	42	20-39	..	..	..	..	27-70	40	34	38	40
San Francisco.....	36-60	40	42	47	51	.....	..	..	..	..	39-62	50	44	47	50
Seattle.....	36-52	45,52	45	46	50	.....	..	..	..	..	40-55	..	..	..	..
TOTAL.....	22-60	37	35	39	44	20-59	37	31	35	38	26-77	40	37	41	47

Cities	All Reports		Middle 50% of Reports		
	Range	Mode	Low	Median	High
	Telephone Switchboard Operator				
Atlanta.....	\$30-65	..	\$35	\$36.50	\$40
Baltimore.....	25-50	40	35	39	41
Boston.....	30-62	40	37	40	44
Buffalo.....	29-51	41	41	42	44
Chicago.....	33-57	43	38	42	46
Cincinnati.....	28-52	35	34	37	40
Cleveland.....	35-52	40	40	43	47
Detroit.....	30-64	40	36	40	46
Houston.....	29-69	49	38	49	49
Los Angeles.....	32-64	57	44	50	56
Louisville.....	25-48	30	30	35	43
Milwaukee.....	32-58	40	37	39	40
Minneapolis-St. Paul.....	28-54	49	37	40	48
Newark.....	31-55	44	37	44	44
New York.....	31-67	48	40	45	49
Philadelphia.....	25-61	47	31	38	43
Pittsburgh.....	28-59	45	39	45	45
St. Louis.....	25-55	42	38	41	44
San Francisco.....	35-65	53	46	49	54
Seattle.....	30-52	47	37	46	47
TOTAL.....	25-69	40	38	43	48

(Text continued from page 368)

The summaries contain the following data:

1. The range, or the low and high rates paid in each city;
2. The mode, or the rate occurring most frequently;
3. The low and high rates of the middle 50% of the employees (or the lower quartile and upper quartile);
4. The median, or the salary rate of the middle employee in the series.

Before analyzing the data in this report, the following points should be thoroughly understood:

1. The survey includes only regularly employed, full-time employees.

2. Only those employees whose jobs are exactly described by each job description are included. The instructions to participating companies stress the point that they should "exclude all employees whose jobs differ in any way from the job descriptions used in this survey." In every case in which a reported rate appears to be out of line, THE CONFERENCE BOARD rechecks and verifies the figures with a responsible executive of the company involved.

3. The salary rates do not include overtime, but they do include incentives and cost of living and production bonuses earned during regular working hours. In some instances where cost of living bonuses have become part of the base rate, the salary level has been materially affected. Salary rates for employees working fewer than forty hours a week have not been converted to forty-hour rates.

4. Salary rates may reflect earned-experience rates and accruals due to length of service. They may also be affected by nonfinancial benefits given employees.

5. Weekly salary rates are provided in even dollar amounts. Thus, a weekly salary of \$24.44 is reported as \$24, but \$24.50 or \$24.68 is reported as \$25.

6. Each company furnished the number of employees at each rate in each job classification.

The Board is eager to welcome additional companies as cooperators in any of the cities covered by this survey.

The next survey will be conducted in October, 1948.

ROBERT A. SAYRE  
Statistical Division



# Payroll Statistics in Manufacturing

WHILE actual hourly earnings continued their upward climb and again touched a new high, all the other payroll statistics for production workers in the twenty-five manufacturing industries declined from March to April. The wage-rate increases reported by cooperators in this monthly survey averaged slightly more for all workers in April than in March. The largest increase—the 2.8% reported in news and magazine printing—was also the only one which amounted to more than 1% for all workers in the industry.

As in each of the four preceding months, hourly earnings were 0.4% greater in April than in the month before. They were also at a new peak, just as in

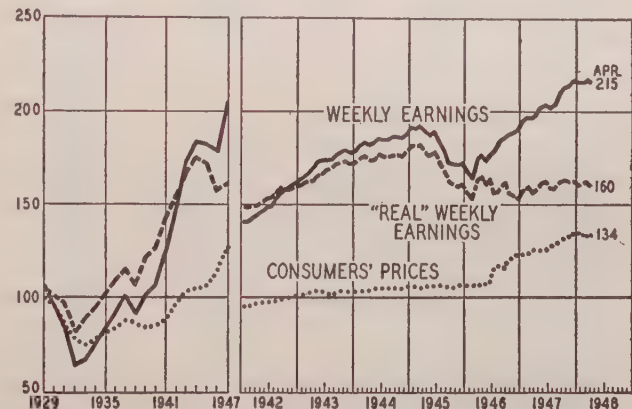
## Wage-rate Increases and Workers Affected

Source: THE CONFERENCE BOARD

Date	25 Manufacturing Industries	
	Production Workers Affected	Wage-rate Increase
1947 April.....	6.8%	7.2%
May.....	18.5	9.1
June.....	8.6	8.7
July.....	4.8	7.4
August.....	3.9	6.9
September.....	2.9	5.9
October.....	1.9	4.9
November.....	4.6	6.4
December.....	1.1	7.5
1948 January.....	2.5	8.0
February.....	3.2	9.5
March.....	1.6	7.7
April.....	2.6	6.4

## Average Weekly Earnings in 25 Manufacturing Industries

Source: THE CONFERENCE BOARD  
Index Numbers, 1923=100



each of the twenty-six preceding months. Even though the increase in the hourly earnings for the twenty-five industries was not large, it was the result of rises in the earnings of twenty industries and only small declines in the other five. However, sixteen of these twenty increases were less than 1%. Hourly earnings for all the industries combined were 87.5% higher in April than in January, 1941, the base date of the Little Steel formula, although average working hours were the same in the two months.

A decline of 1.0% in weekly earnings from the peak level of March brought the average to \$57.10 in

## EARNINGS, HOURS, EMPLOYMENT, PAYROLLS, PRODUCTION WORKERS, 25 MANUFACTURING INDUSTRIES

NOTE: Hourly earnings are not wage rates, because they include overtime and other monetary compensation

Date	Average Hourly Earnings	Average Weekly Earnings	Average Actual Hours per Week per Production Worker	Average Nominal Hours per Week per Production Worker	Index Numbers, 1923=100							
					Hourly Earnings		Weekly Earnings		Actual Hours per Week per Production Worker	Employment	Total Man Hours	Payrolls
					Actual	Real	Actual	Real				
1947 April.....	\$1.304	\$52.79	40.5	41.0	241.0	193.1	198.4	159.0	82.3	128.6	105.8	255.1
May.....	1.329	53.65	40.4	41.0	245.7	197.2	201.6	161.8	82.1	127.9	105.0	257.8
June.....	1.347	54.25	40.3	41.0	249.0	198.6	203.9	162.6	81.9	127.4	104.3	259.8
July.....	1.354	53.61	39.7	40.9	250.3	197.7	201.5	159.2	80.7	125.5	101.3	252.9
August.....	1.367	54.29	39.7	40.8	252.7	197.1	204.0	159.1	80.7	126.2	101.8	257.4
September.....	1.383	55.96	40.5	40.8	255.6	196.3	210.3	161.5	82.3	127.6	105.0	268.3
October.....	1.386	56.60	40.9	40.9	256.2	195.7	212.7	162.5	83.1	127.9	106.3	272.0
November.....	1.395	56.78	40.8	40.9	257.9	195.5	213.4	161.8	82.9	128.8	106.8	274.9
December.....	1.401	57.54	41.1	40.9	259.0	193.9	216.2	161.8	83.5	130.1	108.6	281.3
1948 January.....	1.406	57.35	40.9	40.9	259.9	193.2	215.5	160.2	83.1	130.0	108.0	280.2
February.....	1.412	57.27	40.6	40.9	261.0	196.1	215.2	161.7	82.5	129.7	107.0	279.1
March.....	1.417	57.67 <sup>r</sup>	40.7	40.9	261.9	197.1	216.7 <sup>r</sup>	163.1	82.7	129.9 <sup>r</sup>	107.4 <sup>r</sup>	281.5 <sup>r</sup>
April.....	1.423	57.10	40.2	40.8	263.0	195.7	214.6	159.7	81.7	128.2	104.7	275.1

See footnotes on page 375.

<sup>r</sup>Revised.



## EARNINGS AND HOURS, PRODUCTION WORKERS, APRIL, 1948

NOTE: Hourly earnings are not wage rates, because they include overtime and other monetary compensation

INDUSTRY	Average Earnings in Dollars				Average Hours per Week per Production Worker			
	Hourly		Weekly		Actual		Nominal	
	April	March	April	March	April	March	April	March
Agricultural implement.....	1.460	1.461	59.18	59.69	40.5	40.8	40.1	40.2
Automobile <sup>1</sup> .....	1.558	1.557 <sub>r</sub>	59.16	61.08 <sub>r</sub>	38.0	39.2 <sub>r</sub>	40.4	40.2
Boot and shoe.....	1.104	1.089	40.82	41.96	37.0	38.5	40.1	40.3
Chemical.....	1.487	1.477	58.37	58.16	39.3	39.4	40.3	40.3
Rayon producing <sup>2</sup> .....	1.277	1.275	49.47	49.56	38.7	38.9	40.2	40.2
Cotton—North.....	1.230	1.216	50.17	49.79	40.8	40.9	41.6	41.5
Electrical manufacturing.....	1.433	1.432	57.68	57.92	40.2	40.4	40.3	40.3
Furniture <sup>3</sup> .....	1.378	1.386	56.14	58.33	40.7	42.1	41.6	41.8
Hosiery and knit goods.....	1.173	1.174	46.85	47.12	40.0	40.1	41.3	41.2
Iron and steel <sup>4</sup> .....	1.551	1.548	58.94	62.85	38.0	40.6	40.3	40.5
Leather tanning and finishing.....	1.356	1.350	53.33	53.75	39.3	39.8	41.3	41.6
Lumber and millwork.....	1.491	1.480	61.44	61.32	41.2	41.4	42.0	41.7
Meat packing.....	1.303	1.293	60.35	57.92	46.3	44.8	41.1	41.0
Paint and varnish.....	1.396	1.393	56.82	56.00	40.7	40.2	40.1	40.5
Paper and pulp.....	1.313	1.310	58.38	58.47	44.5	44.6	41.9	41.9
Paper products.....	1.245	1.240	51.61	51.99	41.5	41.9	42.1	42.2
Printing—book and job.....	1.684	1.644	67.71	67.44	40.2	41.0	40.7	40.8
Printing—news and magazine.....	1.813	1.790	70.80	71.20	39.1	39.8	39.8	39.8
Rubber.....	1.494	1.492	54.99	54.81	36.8	36.7	37.9	38.0
1. Rubber tires and tubes.....	1.639	1.632	56.91	56.70	34.7	34.7	37.0	37.3
2. Other rubber products.....	1.313	1.300	52.25	51.85	39.8	39.9	39.2	39.1
Silk and rayon.....	1.285	1.292 <sub>r</sub>	53.00	53.81	41.3	41.7 <sub>r</sub>	40.5	40.7
Wool.....	1.379	1.374	57.97	57.96	42.0	42.2	41.3	41.4
1. Woolen and worsted goods.....	1.392	1.397	58.83	59.41	42.3	42.5	42.0	42.1
2. Other woolen products <sup>5</sup> .....	1.361	1.341	56.81	56.02	41.7	41.8	40.2	40.4
Foundries and machine shops.....	1.438	1.433 <sub>r</sub>	58.42	58.41 <sub>r</sub>	40.6	40.8	40.9	41.0
1. Foundries.....	1.439	1.440	58.45	58.79	40.6	40.8	40.5	40.5
2. Machines and machine tools.....	1.416	1.409	58.17	58.23	41.1	41.3	41.1	41.3
3. Heavy equipment.....	1.512	1.508 <sub>r</sub>	62.95	62.93 <sub>r</sub>	41.6	41.7	41.2	41.5
4. Hardware and small parts.....	1.372	1.363	55.99	55.53	40.8	40.8	40.9	40.8
5. Other products.....	1.429	1.426	56.65	56.78	39.6	39.8	40.7	40.7
25 INDUSTRIES.....	1.423	1.417	57.10	57.67 <sub>r</sub>	40.2	40.7	40.8	40.9
Cement.....	1.225	1.202 <sub>r</sub>	49.40	48.39 <sub>r</sub>	40.3	40.3 <sub>r</sub>	39.6	39.6
Petroleum refining.....	1.728	1.733	68.97	69.71	39.9	40.2	40.2	40.2
27 INDUSTRIES.....	1.426	1.420	57.20	57.77 <sub>r</sub>	40.2	40.7	40.8	40.9
Aircraft.....	1.408	1.418	54.75	54.65	38.9	38.5	40.1	40.1
Shipbuilding.....	1.583	1.569 <sub>r</sub>	62.24	61.67 <sub>r</sub>	39.3	39.3 <sub>r</sub>	40.2	40.2

See footnotes on page 375.

April. This was lower than during the four months from December, 1947, through this March, but higher than at any time before last December. Ten industries reported higher weekly earnings in April than in March, but two of these increases amounted to less than 0.1%. As in March, the greatest rise was in the meat-packing industry. The iron and steel industry, which had the second largest increase in March, reported the largest decline—6.2%—in the succeeding month. Average weekly earnings for the composite of the twenty-five industries were 109.2% greater this April than in August, 1939, the last month before the outbreak of the war in Europe, and 19.6% greater than in August, 1945, the month the war ended.

Real weekly earnings, the measure of actual earnings adjusted for changes in the consumers' price index in terms of 1923 dollars, declined 2.1% between March and April. In the latter month, real earnings were lower than at any time since August of last year and only slightly higher than during last April. The

meat-packing and paint and varnish industries were the only ones in which real weekly earnings were higher in April of this year than in March.

## HOURS

Since twenty-one industries curtailed their working hours between March and April, the average for all the industries combined was 0.5 hour, or 1.2%, shorter in April than in the preceding month. Four industries—iron and steel, boot and shoe, furniture, and automobile—cut their work week more than an hour over the month. The average for the twenty-five industries together was slightly shorter than the year before, and 8.1 hours, or 16.8%, shorter than the average for the year 1929. Since that year, hourly earnings have risen 141.2%.

## MAN HOURS

Total man hours declined 2.5% from March to April and were 1.0% lower this April than during the same month of last year. They were 26.6% less



than their wartime peak (October and November, 1943) but 17.2% greater than the low point reached in September, 1945, immediately after the end of the war.

### EMPLOYMENT

The number of production workers employed in these industries dropped 1.3% in April. This was the largest month-to-month change in employment since the decrease of 1.5% between last June and July. Despite this comparatively large decline, employment in April was greater than during six of the previous twelve months and only 16.9% less than the all-time high of October and November, 1943. The largest change in employment over the month was the decline of 16.0% in the meat-packing industry, the result of the strikes. Employment decreased from March to April in eighteen other industries and increased in the remaining six, the largest increase being only 1.8%.

### PAYROLLS

The 2.3% decline in payrolls from March to April brought this index below the wartime high of November, 1943, which it had surpassed during December, 1947, and the first three months of this year. April

payrolls, however, were still more than three times those of August, 1939.

### CEMENT

Wage-rate increases averaging 8.0% for 16.4% of the production workers were reported by cement plants in April, raising the hourly earnings in the industry 1.9% above the March average. Both skilled and unskilled workers shared in the increased earnings. Average working hours of the former group were the same in both months, but the unskilled men worked slightly longer hours in a week in April than in March. Total employment rose fractionally over the month.

### PETROLEUM

Employment in petroleum refineries was increased 1.3% from March to April. This access of new workers, together with a reduction in working hours and, consequently, in premium overtime pay, served to lower hourly earnings of all workers 0.3% below their peak level of March. The unskilled workers, who made up only 9.6% of the total in this industry, increased their work week and therefore their hourly earnings. Their weekly earnings rose also, of course,

## EARNINGS, EMPLOYMENT, MAN HOURS, AND PAYROLLS, PRODUCTION WORKERS, APRIL, 1948

Index Numbers, 1923=100

NOTE: Hourly earnings are not wage rates, because they include overtime and other monetary compensation

INDUSTRY	Average Earnings						Employment		Total Man Hours Worked		Payrolls	
	Hourly, Actual		Weekly									
			Actual		Real							
	April	March	April	March	April	March	April	March	April	March	April	March
Agricultural implement.....	262.6	262.8	215.1	217.0	160.0	163.3	181.2	209.8	148.2	172.9	389.8	455.3
Automobile <sup>1</sup> .....	246.5	246.4	196.3	202.7	146.1	152.5	139.3	140.8	111.0	115.7	273.4	285.4
Boot and shoe.....	210.3	207.4	169.2	174.0	125.9	130.9	102.8	107.7	82.9	90.4	173.9	187.4
Chemical.....	292.7	290.7	226.6	225.8	168.6	169.9	204.4	204.2	158.8	159.1	463.2	461.1
Cotton—North.....	276.4	273.3	236.2	234.4	175.7	176.4	45.3	45.7	38.7	39.1	107.0	107.1
Electrical manufacturing.....	252.3	252.1	212.9	213.8	158.4	160.9	270.1	274.0	227.2	231.5	575.0	585.8
Furniture <sup>2</sup> .....	266.5	268.1	225.1	233.9	167.5	176.0	147.7	148.3	124.7	129.5	332.5	346.9
Hosiery and knit goods.....	307.1	307.3	265.1	266.7	197.2	200.7	97.5	98.1	84.2	85.0	258.5	261.6
Iron and steel <sup>3</sup> .....	260.2	259.7	172.2	183.7	128.1	138.2	128.1	128.7	84.4	90.6	220.6	236.4
Leather tanning and finishing.....	279.0	277.8	230.3	232.1	171.4	174.6	71.7	73.5	59.2	61.4	165.1	170.6
Lumber and millwork.....	315.2	312.9	262.3	261.8	195.2	197.0	55.8	54.8	46.4	45.8	146.4	143.5
Meat packing.....	275.5	273.4	256.4	246.0	190.8	185.1	90.5	107.8	84.3	97.1	232.0	265.2
Paint and varnish.....	248.0	247.4	216.5	213.3	161.1	160.5	168.3	171.7	146.8	147.8	364.4	366.2
Paper and pulp.....	260.5	259.9	223.8	224.2	166.5	168.7	150.0	150.6	128.9	129.7	335.7	337.6
Paper products.....	272.4	271.3	230.9	232.6	171.8	175.0	193.6	195.7	165.3	168.7	447.0	455.2
Printing—book and job.....	257.9	251.8	226.1	225.2	168.2	169.5	149.7	152.4	131.1	136.1	338.5	343.2
Printing—news and magazine.....	261.6	258.3	226.7	228.0	168.7	171.6	156.6	155.1	136.1	137.1	355.0	353.6
Rubber.....	238.7	238.3	196.2	195.5	146.0	147.1	137.4	140.9	112.8	115.4	269.6	275.5
Silk and rayon.....	259.1	260.5	230.1	233.7	171.2	175.8	97.4	97.3	86.5	87.3	224.1	227.4
Wool.....	273.1	272.1	241.8	241.8	179.9	181.9	90.1	90.0	79.6	79.9	217.9	217.6
Foundries and machine shops.....	251.0	250.1	205.9	205.9	153.2	154.9	140.1	141.1	114.7	116.1	288.5	290.5
1. Foundries.....	243.9	244.1	197.4	198.5	146.9	149.4	162.2	162.5	131.2	132.1	320.2	322.6
2. Machines and machine tools.....	257.9	256.6	213.1	213.3	158.6	160.5	132.0	133.4	108.9	110.6	281.3	284.5
3. Heavy equipment.....	225.7	225.1	190.6	190.6	141.8	143.4	112.5	112.1	95.0	94.8	214.4	213.7
4. Hardware and small parts.....	268.0	266.2	225.7	223.8	167.9	168.4	146.8	147.5	123.5	124.0	331.3	330.1
5. Other products.....	255.2	254.6	207.3	207.8	154.2	156.4	142.9	145.1	115.9	118.4	296.2	301.5
25 INDUSTRIES	263.0	261.9	214.6	216.7	159.7	163.1	128.2	129.9	104.7	107.4	275.1	281.5

NOTE: No basic 1923 data are available, hence no indexes are given for the following: Rayon producing, rubber tires and tubes, other rubber products, woolen and worsted goods, other woolen products, cement, petroleum refining, "27 industries," aircraft and shipbuilding.

See footnotes on page 375.



while those of the much larger group of skilled workers declined.

### AIRCRAFT AND SHIPBUILDING

Aircraft plants employed 2.5% more production workers in April than in the preceding month but the number of male workers increased 3.1%, raising their proportion of the total to 89.2% from 88.7% in March. Hourly earnings of all workers declined slightly, but their working hours increased, resulting in a very small addition to their weekly earnings. All three labor groups showed longer hours in April than in March. The hourly earnings of both groups of male workers declined, but those of the women rose somewhat. The women and the unskilled men raised their weekly return, while the skilled male workers averaged \$56.04 a week during both months.

Shipyards cooperating in this survey reported a decline of 0.3% in the total number of employed production workers from March to April, but the number

of skilled male workers employed actually increased. Since this group contained 87.9% of the total workers, the rise in hourly earnings caused an increase in the hourly earnings of all workers combined, even though the women and the unskilled men averaged less for an hour's work in April than in March. Working hours for the composite of the three groups did not change over the month, and weekly earnings rose fractionally.

### LABOR STATISTICS IN APRIL

Hourly earnings rose 0.4% from March to April. Since last April they have been increased 9.1% and since 1929, 141.2%.

Weekly earnings declined 1.0% over the month, but they have risen 8.2% since April, 1947, and 100% since 1929.

Real weekly earnings were 2.1% lower in April than in March. They were 0.4% greater than last April and 49.0% more than in 1929.

### EARNINGS AND HOURS, MALE AND FEMALE PRODUCTION WORKERS, APRIL, 1948

NOTE: Hourly earnings are not wage rates, because they include overtime and other monetary compensation

INDUSTRY	All Male						Female					
	Average Earnings in Dollars				Average Hours per Week per Production Worker		Average Earnings in Dollars				Average Hours per Week per Production Worker	
	Hourly		Weekly				Hourly		Weekly			
	April	March	April	March	April	March	April	March	April	March	April	March
Agricultural implement.....	1.467	1.467	59.56	60.00	40.6	40.9	1.257	1.285	48.81	50.09	38.8	39.0
Automobile <sup>1</sup> .....	1.581	1.580	60.26	62.23	38.1	39.4	1.342	1.344	49.19	50.81	36.7	37.8
Boot and shoe.....	1.246	1.233	47.00	48.26	37.7	39.1	.953	.941	34.56	35.70	36.2	37.9
Chemical.....	1.548	1.540	61.14	60.94	39.5	39.6	1.081	1.070	40.85	40.69	37.8	38.0
Rayon producing <sup>2</sup> .....	1.323	1.322	51.91	52.03	39.2	39.4	1.121	1.121	41.73	41.78	37.2	37.2
Cotton—North.....	1.298	1.284	55.24	54.78	42.6	42.7	1.127	1.114	43.18	42.98	38.3	38.6
Electrical manufacturing.....	1.513	1.512	62.06	62.39	41.0	41.3	1.178	1.180	44.88	45.19	38.1	38.3
Furniture <sup>3</sup> .....	1.411	1.419	57.74	60.12	40.9	42.4	1.115	1.117	43.62	44.55	39.1	39.9
Hosiery and knit goods.....	1.604	1.592	67.22	66.80	41.9	42.0	.927	.935	36.07	36.61	38.9	39.2
Iron and steel <sup>4</sup> .....	1.556	1.553	59.13	63.09	38.0	40.6	1.198	1.177	45.45	45.49	37.9	38.6
Leather tanning and finishing.....	1.380	1.374	54.96	55.42	39.8	40.3	1.189	1.185	43.13	43.00	36.3	36.3
Lumber and millwork.....	1.505	1.494	62.17	62.02	41.3	41.5	1.122	1.093	43.20	43.57	38.5	39.9
Meat packing.....	1.339	1.328	62.94	60.35	47.0	45.5	1.130	1.118	48.66	46.78	43.1	41.8
Paint and varnish.....	1.416	1.413	57.74	56.94	40.8	40.3	1.057	1.062	41.35	40.94	39.1	38.6
Paper and pulp.....	1.331	1.328	59.55	59.63	44.7	44.9	.989	.994	39.95	40.10	40.4	40.3
Paper products.....	1.353	1.346	57.80	58.21	42.7	43.3	.967	.966	37.29	37.50	38.5	38.8
Printing—book and job.....	1.887	1.845	78.34	79.20	41.5	42.9	1.144	1.098	42.42	40.19	37.1	36.6
Printing—news and magazine.....	1.924	1.897	75.54	75.98	39.3	40.0	1.114	1.121	42.10	42.86	37.8	38.3
Rubber.....	1.608	1.603	59.16	59.09	36.8	36.9	1.131	1.123	41.68	40.87	36.9	36.4
1. Rubber tires and tubes.....	1.689	1.680	59.05	59.05	35.0	35.1	1.293	1.290	42.67	41.41	33.0	32.1
2. Other rubber products.....	1.466	1.454	59.39	59.18	40.5	40.7	1.065	1.050	41.20	40.59	38.7	38.7
Silk and rayon.....	1.370	1.376	57.82	59.22	42.2	43.0	1.091	1.087	42.83	41.97	39.3	38.6
Wool.....	1.440	1.433	62.06	61.80	43.1	43.1	1.265	1.265	50.88	51.29	40.2	40.6
1. Woolen and worsted goods.....	1.453	1.457	62.91	63.51	43.3	43.6	1.306	1.312	53.31	53.85	40.8	41.1
2. Other woolen products <sup>5</sup> .....	1.427	1.406	61.14	59.96	42.8	42.6	1.179	1.168	46.05	46.22	39.1	39.6
Foundries and machine shops.....	1.468	1.463	60.00	60.01	40.9	41.0	1.140	1.138	43.77	43.59	38.4	38.3
1. Foundries.....	1.447	1.449	58.89	59.29	40.7	40.9	1.200	1.190	46.37	45.66	38.6	38.4
2. Machines and machine tools.....	1.429	1.423	58.95	59.03	41.3	41.5	1.172	1.160	44.61	44.37	38.1	38.3
3. Heavy equipment.....	1.524	1.515	63.54	63.33	41.7	41.8	1.122	1.160	44.25	45.98	39.5	39.6
4. Hardware and small parts.....	1.426	1.417	58.98	58.62	41.4	41.4	1.088	1.079	41.57	40.88	38.2	37.9
5. Other products.....	1.475	1.470	58.75	58.93	39.8	40.1	1.161	1.160	44.58	44.57	38.4	38.4
25 INDUSTRIES.....	1.493	1.487	60.45	61.13	40.6	41.2	1.091	1.087	41.99	42.11	38.4	38.7
Cement.....	1.225	1.202	49.40	48.39	40.3	40.3	.....	.....	.....	.....	.....	.....
Petroleum refining.....	1.728	1.733	68.97	69.71	39.9	40.2	.....	.....	.....	.....	.....	.....
27 INDUSTRIES.....	1.495	1.488	60.50	61.16	40.5	41.1	.....	.....	.....	.....	.....	.....
Aircraft.....	1.431	1.445	55.75	55.79	39.0	38.6	1.218	1.208	46.51	45.75	38.2	37.9
Shipbuilding.....	1.585	1.571	62.32	61.74	39.3	39.3	1.098	1.118	41.32	42.38	37.8	37.9

See footnotes on page 375.



# EARNINGS AND HOURS, UNSKILLED AND SKILLED AND SEMI-SKILLED MALE PRODUCTION WORKERS, APRIL, 1948

NOTE: Hourly earnings are not wage rates, because they include overtime and other monetary compensation

INDUSTRY	Unskilled						Skilled and Semi-Skilled					
	Average Earnings in Dollars				Average Hours per Week per Production Worker		Average Earnings in Dollars				Average Hours per Week per Production Worker	
	Hourly		Weekly				Hourly		Weekly			
	April	March	April	March	April	March	April	March	April	March	April	March
Agricultural implement.....	1.286	1.285	51.10	51.13	39.7	39.8	1.501	1.499	61.21	61.65	40.8	41.1
Automobile <sup>1</sup> .....	1.334	1.330 <sub>r</sub>	51.01	52.46 <sub>r</sub>	38.2	39.4 <sub>r</sub>	1.609	1.609 <sub>r</sub>	61.33	63.35 <sub>r</sub>	38.1	39.4 <sub>r</sub>
Boot and shoe.....	.703	.697	26.77	28.73	38.1	41.2	1.267	1.254	47.79	48.98	37.7	39.1
Chemical.....	1.293	1.283	51.19	50.61	39.6	39.4	1.612	1.604	63.63	63.55	39.5	39.6
Rayon producing <sup>2</sup> .....	1.085	1.079	42.11	41.53	38.8	38.5	1.354	1.352	53.17	53.39	39.3	39.5
Cotton—North.....	1.192	1.190	49.30	49.78	41.4	41.9	1.337	1.320	57.57	56.74	43.1	43.0
Electrical manufacturing.....	1.223	1.222	49.57	49.57	40.5	40.6	1.553	1.554	63.83	64.27	41.1	41.4
Furniture <sup>3</sup> .....	1.064	1.074	42.01	43.73	39.5	40.7	1.438	1.446	59.04	61.47	41.1	42.5
Hosiery and knit goods.....	1.041	1.037	46.45	46.97	44.6	45.3	1.661	1.647	69.16	68.60	41.6	41.7
Iron and steel <sup>4</sup> .....	1.266	1.257	44.74	47.47	35.3	37.8	1.612	1.612	62.16	66.47	38.6	41.2
Leather tanning and finishing.....	1.195	1.164	47.73	46.96	39.9	40.3	1.401	1.400	55.79	56.51	39.8	40.3
Lumber and millwork.....	1.158	1.144	49.61	47.79	42.8	41.8	1.623	1.608	66.23	66.58	40.8	41.4
Meat packing.....	1.191	1.183	57.03	53.72	47.9	45.4	1.399	1.384	65.28	62.93	46.7	45.5
Paint and varnish.....	1.173	1.173	47.70	47.25	40.7	40.3	1.486	1.487	60.67	59.92	40.8	40.3
Paper and pulp.....	1.160	1.158	50.25	50.36	43.3	43.5	1.401	1.398	63.50	63.61	45.3	45.5
Paper products.....	1.108	1.109	46.05	46.73	41.6	42.1	1.439	1.430	62.06	62.42	43.1	43.7
Printing—book and job.....	1.280	1.288	54.28	59.60	42.4	46.3	2.093	2.057	86.31	85.95	41.2	41.8
Printing—news and magazine.....	1.327	1.347	49.13	51.85	37.0	38.5	2.102	2.061	84.02	83.56	40.0	40.5
Rubber.....	1.305	1.301 <sub>r</sub>	47.50	47.75 <sub>r</sub>	36.4	36.7	1.616	1.611	59.49	59.38 <sub>r</sub>	36.8	36.9
1. Rubber tires and tubes.....	1.369	1.354	46.82	47.80	34.2	35.3	1.697	1.689	59.41	59.36	35.0	35.1
2. Other rubber products.....	1.170	1.132 <sub>r</sub>	50.26	47.74 <sub>r</sub>	43.0	42.2	1.475	1.462 <sub>r</sub>	59.63	59.43 <sub>r</sub>	40.4	40.7
Wool.....	1.281	1.282	56.08	56.14	43.8	43.8	1.518	1.506	64.89	64.49	42.8	42.8
1. Woolen and worsted goods.....	1.337	1.342	57.99	58.69	43.4	43.7	1.520	1.524	65.79	66.32	43.3	43.5
2. Other woolen products <sup>5</sup> .....	1.200	1.194	53.27	52.44	44.4	43.9	1.515	1.489	64.04	62.79	42.3	42.2
Foundries and machine shops.....	1.248	1.247 <sub>r</sub>	50.75	50.97 <sub>r</sub>	40.7	40.9	1.511	1.505 <sub>r</sub>	61.81	61.78 <sub>r</sub>	40.9	41.1
1. Foundries.....	1.264	1.264	51.76	52.08	41.0	41.2	1.511	1.512	61.36	61.72	40.6	40.8
2. Machines and machine tools.....	1.189	1.192	49.12	49.79	41.3	41.8	1.463	1.455	60.36	60.34	41.3	41.5
3. Heavy equipment.....	1.206	1.202 <sub>r</sub>	49.70	49.47 <sub>r</sub>	41.2	41.1	1.567	1.559 <sub>r</sub>	65.46	65.29 <sub>r</sub>	41.8	41.9
4. Hardware and small parts.....	1.252	1.240	51.64	51.21	41.2	41.3	1.479	1.471	61.19	60.85	41.4	41.4
5. Other products.....	1.290	1.297	50.80	51.55	39.4	39.7	1.506	1.500	60.13	60.23	39.9	40.1
24 INDUSTRIES <sup>6</sup> .....	1.219	1.215 <sub>r</sub>	49.61	49.85 <sub>r</sub>	40.8	41.1	1.556	1.549 <sub>r</sub>	62.88	63.61 <sub>r</sub>	40.5	41.1
Cement.....	1.076	1.050 <sub>r</sub>	40.73	39.18 <sub>r</sub>	37.9	37.3 <sub>r</sub>	1.240	1.217 <sub>r</sub>	50.36	49.41 <sub>r</sub>	40.6	40.6 <sub>r</sub>
Petroleum refining.....	1.363	1.356	54.89	54.33	40.3	40.1	1.768	1.772	70.47	71.31	39.9	40.2
26 INDUSTRIES <sup>6</sup> .....	1.220	1.215 <sub>r</sub>	49.58	49.80 <sub>r</sub>	40.7	41.1	1.557	1.550 <sub>r</sub>	62.91	63.63 <sub>r</sub>	40.4	41.1
Aircraft.....	1.164	1.174	45.40	45.20	39.0	38.5	1.439	1.451	56.04	56.04	39.0	38.6
Shipbuilding.....	1.232	1.248 <sub>r</sub>	46.41	47.88 <sub>r</sub>	37.7	38.3 <sub>r</sub>	1.629	1.614 <sub>r</sub>	64.44	63.66 <sub>r</sub>	39.5	39.4 <sub>r</sub>

NOTE: The wage data here given are for cash payments only and do not take into consideration the value of such wage equivalents as reduced or free house rents or other special services rendered by the company to employees. Various forms of wage equivalents are in use in industrial establishments in many localities, but the part which they play as compensation for work performed cannot be taken into account in a study of this character.

<sup>1</sup>Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD.

Hours per week were curtailed 0.5 hour, or 1.2%, during the month and 0.3 hour, or 0.7%, during the period since April, 1947. Since 1929, they have been cut 16.8%.

Employment dropped 1.3% from March to April. In the latter month it was 0.3% less than in the same month of last year but 26.9% greater than in 1929.

Man hours in April were 2.5% less than in the pre-

<sup>2</sup>Based on data collected by the Textile Economics Bureau, Inc. and THE CONFERENCE BOARD.

<sup>3</sup>Includes wood, metal, and upholstered household and office furniture.

<sup>4</sup>Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

<sup>5</sup>Principally rugs.

<sup>6</sup>Silk and rayon industry not included, as adequate data for unskilled and skilled groups are not available for this industry.

<sub>r</sub>Revised.

vious month and 1.0% less than during last April. Since 1929, they have been increased 5.5%.

Payrolls were decreased 2.3% between March and April. They were 7.8% greater than in April, 1947, and 153.8% more than the 1929 average.

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## Consumers' Price Indexes Revised

**I**NDEXES for the United States, presented on page 377 for March, 1946, through May, 1948, bring up to date the revision of the series from 1914. Figures prior to March, 1946, will appear in a special Conference Board book now in preparation.

The entire series from 1914 forward has been rebased from 1923=100 to January, 1939=100. Thus the United States index and the city indexes are now on the same base. From published sources, all group series from 1914 through 1938 were taken without change and rebased, so that January, 1939, would equal 100. The house-furnishings component of the sundries group was removed from that group and was rebased separately. The remaining sundries subgroups were recombined and reweighted. Beginning with January, 1939, the group indexes for each city (already on a January, 1939=100 base) were weighted together by category to derive the over-all United States index for that category. The weights used for the period January, 1939, through October, 1943, were the populations of the various cities as given in the population census for 1940. From November, 1943, to date, population estimates were derived from registration for War Ration Book Four as of November, 1943. Not only were the major budgetary groups for the United States derived in this fashion but also the subgroups of clothing (men's and women's) and of fuels (gas and electricity).

### NEW WEIGHTS USED

The resultant series of major group indexes from 1914 forward, all on a January, 1939=100 base, were weighted together into an all-items index by a set of constant weighting factors. These were calculated by combining the weights for the fifty-seven cities, available in January, 1939, on the basis of the previously discussed population figures. A test showed that the same weights were obtained from the use of population data from the 1940 Census or from the War Ration Book Four count, if they were used as whole numbers. The weights are as follows:

Food.....	33
Housing.....	19
Clothing.....	10
Fuels.....	6
Housefurnishings.....	4
Sundries.....	28
Total.....	100

The accompanying chart shows a comparison of the new and old all-items indexes for the country as a whole. It can readily be seen that between 1939 and 1944 there has been a more rapid rate of increase

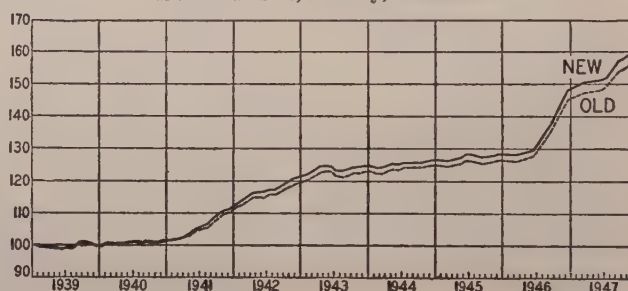
in the new than in the old. This has occurred mainly because the new index incorporates in the sundries component a number of groups of items not previously covered. Virtually all groups previously carried were considerably expanded. Most of these changes had been worked into the old index by 1944 through a linking process—hence the similarity of movement between the new and old indexes subsequent to that date.

### MAY PRICES AT ALL-TIME HIGH

An over-all price increase of 0.6% from April to May brought THE CONFERENCE BOARD's index to a new peak level. At 163.1 (January, 1939=100) in May, it was 0.4% above the level for January, the previous high point of the series.

### CONSUMERS' PRICE INDEX—UNITED STATES

Source: THE CONFERENCE BOARD  
Index Numbers, January, 1939=100



The purchasing value of the January, 1939, dollar correspondingly dropped to 61.3 cents, 0.3 cents lower than its value in January.

Food, the most heavily weighted item in the budgets of moderate-income families, showed a gain of 1.3% over the month, and now stands 46.6% higher than in June, 1946, the last month of OPA controls. The index reached 219.6 in May, its highest point in the nearly thirty-four years for which the Board has compiled indexes of consumers' prices.

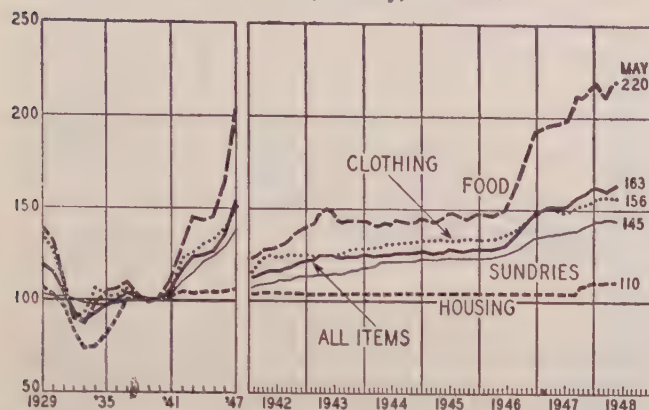
With the exception of pork products, which declined slightly, all meats rose considerably. Most sources reported higher prices for dairy products and fresh fruits. Declines in flour, some green vegetables, and in sugar, tea, and coffee failed to counteract the general upswing. Since June, 1947, the nearest date a year ago for which data are available, food prices advanced 11.2%, an increase substantially greater than that shown by any other major budget category.

The fuels index, which covers gas and electricity as well as liquid and solid fuels, followed food with a



## Consumers' Price Index

Source: THE CONFERENCE BOARD  
Index Numbers, January, 1939=100



rise of 0.8%; as in April, the increase was entirely caused by higher fuel prices, particularly bituminous coal and coke.

Housing, which is compiled quarterly, was not priced in May. The next study of rented dwelling units will be conducted in June.

Declines occurred in three of the six major budget groups and partly offset the rises in food and fuels. The drop of 0.1% in the combined clothing index was caused by an increase of 0.1% in men's wear and a

drop of 0.2% in women's clothing. Although footwear tended to increase, no significant price movements were in evidence. The 0.2% decline in house-furnishings reflected lower prices for electrical products. The sundries index, which was lower by the same amount, was affected by widespread cuts, for the second time this year, in prices of laundry and toilet soaps and soap products.

## City Indexes

Fifty-eight, or nearly 95% of the industrial cities surveyed in May, show April-to-May increases ranging from 0.1% to 1.6%. Of these cities, thirty-four, or well over half, experienced over-all price rises between 0.5% and 1.5%, the median amounting to 0.6%. The cities which declined are Huntington, Green Bay, Houston, and New Orleans, with drops of 0.1%, 0.2%, 0.4% and 0.7%, respectively.

For the eleven-month period beginning with June, 1947, each of the sixty-two cities shows increases—from 5.0% in Erie and Huntington to a high of 10.8% in Minneapolis. The median increase of 7.8%, slightly under the comparable figure of 8.1% in April, occurred in Cleveland, Dayton, Louisville and Youngstown.

SHIRLEY FASS

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## CONSUMERS' PRICE INDEX FOR THE UNITED STATES, AND PURCHASING VALUE OF THE DOLLAR

Index Numbers, January, 1939=100

Revised series: January, 1939 = 100; series previously was on 1923 = 100.

Date	Weighted Average of All Items	Food	Housing <sup>1</sup>	Clothing			Fuels <sup>2</sup>			House Furnish- ings	Sundries	Purchasing Value of the Dollar
				Total	Men's	Women's	Total	Electricity	Gas			
1946 March.....	128.1	146.7	104.7	133.5	135.5	131.9	106.5	91.9	93.7	129.5	124.5	78.1
June.....	129.9	149.8 <sup>a</sup>	104.7	135.5	138.9	132.6	106.4	91.5	93.1	132.0	126.4	77.0
September.....	137.9	169.3 <sup>b</sup>	104.7	140.0	144.9	135.8	110.0	90.7	93.1	135.8	128.9	72.5
December.....	148.3	192.5 <sup>c</sup>	104.7	147.8	157.3	139.8	110.5	90.2	93.3	144.4	134.7	67.4
Annual average <sup>3</sup> ...	136.1	164.6	104.7	139.2	144.2	135.0	108.4	91.1	93.3	135.4	128.6	73.8
1947 March.....	150.5	196.3 <sup>d</sup>	104.7	151.0	161.7	142.0	111.7	90.0	93.2	148.1	136.0	66.4
June.....	151.1	197.5 <sup>e</sup>	104.7	149.3	161.6	138.9	111.3	89.8	93.9	147.6	137.5	66.2
July.....	151.7	198.5	104.7	149.2	161.3	139.0	112.7	88.1	93.8	148.4	138.3	65.9
August.....	154.4	205.3 <sup>f</sup>	104.7	149.9	161.7	139.9	116.7	89.8	93.8	148.8	138.6	64.8
September.....	157.0	212.1	104.7	151.2	161.8	142.3	117.2	89.8	93.8	150.6	139.1	63.7
October.....	157.9	210.8	109.1	152.0	162.0	143.5	117.8	89.9	93.8	151.9	140.2	63.3
November.....	159.1	212.9 <sup>g</sup>	109.1	153.2	163.6	144.5	119.0	89.9	93.8	153.3	141.1	62.9
December.....	161.1	216.9	109.9	154.0	164.4	145.2	119.4	89.9	93.8	154.1	142.6	62.1
Annual average <sup>4</sup> ...	153.8	203.2	105.9	150.9	162.1	141.4	114.3	89.7	93.7	149.5	138.4	65.0
1948 January.....	162.4	218.9 <sup>h</sup>	109.9	155.7	166.5	146.5	120.2	90.0	93.8	155.4	143.9	61.6
February.....	160.6	213.2 <sup>i</sup>	109.9	156.5	168.1	146.7	120.4	90.0	93.9	156.2	143.8	62.3
March.....	160.3	210.9	110.1	156.8	168.5	146.8	120.4	90.1	93.9	156.3	145.0	62.4
April.....	162.2	216.8	110.1	156.3	168.3	146.1	120.6	90.0	93.9	156.5	145.0	61.7
May.....	163.1	219.6 <sup>j</sup>	110.1	156.2	168.4	145.8	121.6	90.0	93.9	156.2	144.7	61.3

## Percentage Changes

April, 1948 to May, 1948...	+0.6	+1.3	0	-0.1	+0.1	-0.2	+0.8	0	0	-0.2	-0.2	-0.6
June, 1947 to May, 1948...	+7.9	+11.2	+5.2	+4.6	+4.2	+5.0	+9.3	+0.2	0	+5.8	+5.2	-7.4

<sup>1</sup>Rents surveyed quarterly, March 15, June 15, Sept. 15, Dec. 15.

<sup>2</sup>Includes electricity and gas.

<sup>3</sup>Average of four quarterly indexes.

<sup>4</sup>Weighted average of two quarterly indexes and six monthly indexes.

<sup>a</sup>Based on food prices for June 15, 1946.

<sup>b</sup>Based on food prices for Sept. 16, 1946.

<sup>c</sup>Based on food prices for Dec. 16, 1946.

<sup>d</sup>Based on food prices for March 13, 1947.

<sup>e</sup>Based on food prices for June 16, 1947.

<sup>f</sup>Based on food prices for Aug. 13, 1947.

<sup>g</sup>Based on food prices for Nov. 17, 1947.

<sup>h</sup>Based on food prices for Jan. 14, 1948.

<sup>i</sup>Based on food prices for Feb. 16, 1948.

<sup>j</sup>Based on food prices for May 13, 1948.



# CONSUMERS' PRICE INDEXES FOR FIFTY-SEVEN CITIES

Source: THE CONFERENCE BOARD

NOTE: These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.

CITY	Index Numbers Jan., 1939=100			Percentage Changes		CITY	Index Numbers Jan., 1939=100			Percentage Changes	
	May, 1948	April, 1948	June, 1947	April, 1948 to May, 1948	June, 1947 to May, 1948		May, 1948	April, 1948	June, 1947	April, 1948 to May, 1948	June, 1947 to May, 1948
<b>Akron</b>						<b>Chicago</b>					
Food.....	224.6	221.8 <sub>r</sub>	207.5	+1.3	+8.2	Food.....	225.3	222.9	205.2 <sub>r</sub>	+1.1	+9.8
Housing <sup>1</sup> .....	118.0	118.0	113.9	0	+3.6	Housing <sup>1</sup> .....	120.5	120.5	105.8	0	+13.9
Clothing.....	154.4	155.0 <sub>r</sub>	144.5	-0.4	+6.9	Clothing.....	155.4	156.4 <sub>r</sub>	148.1 <sub>r</sub>	-0.6	+4.9
Fuels <sup>2</sup> .....	147.0	144.3	124.4	+1.9	+18.2	Fuels <sup>2</sup> .....	107.5	107.1	99.7	+0.4	+7.8
Housefurnishings.....	134.8	134.4	127.9	+0.3	+5.4	Housefurnishings.....	152.0	152.4 <sub>r</sub>	141.3	-0.3	+7.6
Sundries.....	144.1	144.4	137.3	-0.2	+5.0	Sundries.....	145.0	145.5	137.2 <sub>r</sub>	-0.3	+5.7
Weighted Total.....	164.3	163.4 <sub>r</sub>	153.4	+0.6	+7.1	Weighted Total.....	164.9	164.4 <sub>r</sub>	151.6 <sub>r</sub>	+0.3	+8.8
<b>Atlanta</b>						<b>Cincinnati</b>					
Food.....	222.8	221.4 <sub>r</sub>	208.8 <sub>r</sub>	+0.6	+6.7	Food.....	219.8	217.1	195.6 <sub>r</sub>	+1.2	+12.4
Housing <sup>1</sup> .....	108.3	108.3	99.2	0	+9.2	Housing <sup>1</sup> .....	105.8	105.8	100.9	0	+4.9
Clothing.....	152.3	152.3	146.7 <sub>r</sub>	0	+3.8	Clothing.....	166.3	167.3	156.6 <sub>r</sub>	-0.6	+6.2
Fuels <sup>2</sup> .....	131.0	128.0	114.8	+2.3	+14.1	Fuels <sup>2</sup> .....	128.9	125.5	112.6	+2.7	+14.5
Housefurnishings.....	143.1	144.2 <sub>r</sub>	137.6 <sub>r</sub>	-0.8	+4.0	Housefurnishings.....	145.3	145.1 <sub>r</sub>	137.3 <sub>r</sub>	+0.1	+5.8
Sundries.....	137.5	137.6	131.5	-0.1	+4.6	Sundries.....	148.6	148.8	139.6	-0.1	+6.4
Weighted Total.....	159.2	158.7 <sub>r</sub>	149.9 <sub>r</sub>	+0.3	+6.2	Weighted Total.....	165.2	164.3	151.5 <sub>r</sub>	+0.5	+9.0
<b>Baltimore</b>						<b>Cleveland</b>					
Food.....	220.3	218.6	204.0	+0.8	+8.0	Food.....	215.6	212.8 <sub>r</sub>	195.4	+1.3	+10.3
Housing <sup>1</sup> .....	108.3	108.3	103.2	0	+4.9	Housing <sup>1</sup> .....	116.7	116.7	109.7	0	+6.4
Clothing.....	155.7	156.9	145.3	-0.8	+7.2	Clothing.....	164.5	166.1	157.1	-1.0	+4.7
Fuels <sup>2</sup> .....	131.6	131.1	122.6	+0.4	+7.3	Fuels <sup>2</sup> .....	129.7	127.5	112.1	+1.7	+15.7
Housefurnishings.....	164.2	163.9	155.9	+0.2	+5.3	Housefurnishings.....	161.5	161.5 <sub>r</sub>	153.0	0	+5.6
Sundries.....	142.5	142.5	136.2	0	+4.6	Sundries.....	147.7	148.2	140.7	-0.3	+5.0
Weighted Total.....	164.9	164.4	154.6	+0.3	+6.7	Weighted Total.....	163.9	163.2	152.1	+0.4	+7.8
<b>Birmingham</b>						<b>Dallas</b>					
Food.....	225.1	222.5	207.1	+1.2	+8.7	Food.....	220.6	220.1	198.5	+0.2	+11.1
Housing <sup>1</sup> .....	117.5	117.5	105.7	0	+11.2	Housing <sup>1</sup> .....	112.6	112.6	105.6	0	+6.6
Clothing.....	158.1	157.1	151.0	+0.6	+4.7	Clothing.....	161.8	161.3	151.0	+0.3	+7.2
Fuels <sup>2</sup> .....	122.7	122.7	113.8	0	+7.8	Fuels <sup>2</sup> .....	89.1	89.1	89.1	0	0
Housefurnishings.....	152.8	152.4 <sub>r</sub>	144.6	+0.3	+5.7	Housefurnishings.....	154.3	153.4	147.0	+0.6	+5.0
Sundries.....	132.1	132.4	126.3	-0.2	+4.6	Sundries.....	145.0	145.2	135.3 <sub>r</sub>	-0.1	+7.2
Weighted Total.....	160.2	159.4	149.4	+0.5	+7.2	Weighted Total.....	158.5	158.3	146.6 <sub>r</sub>	+0.1	+8.1
<b>Boston</b>						<b>Dayton</b>					
Food.....	206.7	203.6	184.3 <sub>r</sub>	+1.5	+12.2	Food.....	215.8	214.6 <sub>r</sub>	194.8	+0.6	+10.8
Housing <sup>1</sup> .....	112.3	112.3	104.5	0	+7.5	Housing <sup>1</sup> .....	112.6	112.6	106.4	0	+5.8
Clothing.....	145.6	145.4 <sub>r</sub>	140.8	+0.1	+3.4	Clothing.....	152.1	152.7 <sub>r</sub>	146.9 <sub>r</sub>	-0.4	+3.5
Fuels <sup>2</sup> .....	151.7	151.6	130.0	+0.1	+16.7	Fuels <sup>2</sup> .....	136.3	133.9	113.6	+1.8	+20.0
Housefurnishings.....	159.6	160.0 <sub>r</sub>	152.6	-0.3	+4.6	Housefurnishings.....	164.4	163.6	159.0	+0.5	+3.4
Sundries.....	145.1	145.5	141.3	-0.3	+2.7	Sundries.....	140.0	140.4	134.2	-0.3	+4.3
Weighted Total.....	161.6	160.6 <sub>r</sub>	148.6 <sub>r</sub>	+0.6	+8.7	Weighted Total.....	160.8	160.3 <sub>r</sub>	149.2	+0.3	+7.8
<b>Bridgeport</b>						<b>Denver</b>					
Food.....	221.6	209.0	185.2	+6.0	+19.7	Food.....	225.2	217.4	199.4	+3.6	+12.9
Housing <sup>1</sup> .....	107.1	107.1	106.5	0	+0.6	Housing <sup>1</sup> .....	113.4	113.4	105.5	0	+7.5
Clothing.....	151.7	150.5	144.6	+0.8	+4.9	Clothing.....	158.3	156.4	149.4	+1.2	+6.0
Fuels <sup>2</sup> .....	144.9	145.3	130.4	-0.3	+11.1	Fuels <sup>2</sup> .....	101.8	101.8	94.4	0	+7.8
Housefurnishings.....	151.8	151.3	143.0	+0.3	+6.2	Housefurnishings.....	150.1	150.6	144.7 <sub>r</sub>	-0.3	+3.7
Sundries.....	165.3	165.7	149.3	-0.2	+10.7	Sundries.....	143.3	143.5	134.7	-0.1	+6.4
Weighted Total.....	165.7	164.9	150.5	+0.5	+10.1	Weighted Total.....	162.5	160.0	148.9	+1.6	+9.1
<b>Buffalo</b>						<b>Des Moines</b>					
Food.....	228.8	225.6	206.0	+1.4	+11.1	Food.....	222.6	218.2	193.5 <sub>r</sub>	+2.0	+15.0
Housing <sup>1</sup> .....	117.8	117.8	112.3	0	+4.9	Housing <sup>1</sup> .....	107.7	107.7	105.3	0	+2.3
Clothing.....	150.7	150.8 <sub>r</sub>	144.8	-0.1	+4.1	Clothing.....	167.7	165.3	157.2	+1.5	+6.7
Fuels <sup>2</sup> .....	131.7	130.5	119.9	+0.9	+9.8	Fuels <sup>2</sup> .....	142.5	141.5	128.4	+0.7	+11.0
Housefurnishings.....	159.7	160.4	150.9	-0.4	+5.8	Housefurnishings.....	161.6	162.1	156.9	-0.3	+3.0
Sundries.....	145.5	146.0	137.4 <sub>r</sub>	-0.3	+5.9	Sundries.....	143.4	143.4	136.7 <sub>r</sub>	0	+4.9
Weighted Total.....	166.6	165.6 <sub>r</sub>	154.3 <sub>r</sub>	+0.6	+8.0	Weighted Total.....	162.1	160.6	149.3 <sub>r</sub>	+0.9	+8.6
<b>Chattanooga</b>						<b>Detroit</b>					
Food.....	230.3	226.2 <sub>r</sub>	213.6	+1.8	+7.8	Food.....	223.6	217.6 <sub>r</sub>	200.3	+2.8	+11.6
Housing <sup>1</sup> .....	103.7	103.7	103.7	0	0	Housing <sup>1</sup> .....	109.9	109.9	107.4	0	+2.3
Clothing.....	156.2	156.3	144.4	-0.1	+8.2	Clothing.....	156.7	155.9	150.9	+0.5	+3.8
Fuels <sup>2</sup> .....	133.0	127.7	113.5 <sub>r</sub>	+4.2	+17.2	Fuels <sup>2</sup> .....	141.5	135.9	122.4	+4.1	+15.6
Housefurnishings.....	144.0	143.7	138.3	+0.2	+4.1	Housefurnishings.....	162.3	162.8	150.5	-0.3	+7.8
Sundries.....	135.4	135.3	129.5 <sub>r</sub>	+0.1	+4.6	Sundries.....	159.4	159.4	149.6	0	+6.6
Weighted Total.....	161.2	159.7	151.7 <sub>r</sub>	+0.9	+6.3	Weighted Total.....	167.3	165.1	154.7	+1.3	+8.1

<sup>1</sup>Rents surveyed quarterly, March 15, June 15, September 15 and December 15.

<sup>2</sup>Includes electricity and gas.

<sub>r</sub>Revised.



# CONSUMERS' PRICE INDEXES FOR FIFTY-SEVEN CITIES—Continued

Source: THE CONFERENCE BOARD

NOTE: These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.

CITY	Index Numbers Jan., 1939=100			Percentage Changes		CITY	Index Numbers Jan., 1939=100			Percentage Changes	
	May, 1948	April, 1948	June, 1947	April, 1948 to May, 1948	June, 1947 to May, 1948		May, 1948	April, 1948	June, 1947	April, 1948 to May, 1948	June, 1947 to May, 1948
<b>Duluth</b>						<b>Kansas City, Mo.</b>					
Food.....	219.8	218.5	192.0	+0.6	+14.5	Food.....	209.8	207.9	187.1	+0.9	+12.1
Housing <sup>1</sup> .....	101.9	101.9	100.2	0	+1.7	Housing <sup>1</sup> .....	108.4	108.4	105.5	0	+2.7
Clothing.....	165.4	165.0	158.4	+0.2	+4.4	Clothing.....	161.1	161.7	153.1	-0.4	+5.2
Fuels <sup>2</sup> .....	147.3	141.3	123.2 <sub>r</sub>	+4.2	+19.6	Fuels <sup>2</sup> .....	114.1	114.1	103.7	0	+10.0
Housefurnishings.....	170.4	169.9	159.1	+0.3	+7.1	Housefurnishings.....	144.5	144.7	135.1	-0.1	+7.0
Sundries.....	142.2	142.5	135.7	-0.2	+4.8	Sundries.....	149.8	150.0	139.1	-0.1	+7.7
Weighted Total.....	166.0	164.9 <sub>r</sub>	150.9	+0.7	+10.0	Weighted Total.....	158.7	158.3	146.2 <sub>r</sub>	+0.3	+8.5
<b>Erie, Pa.</b>						<b>Lansing</b>					
Food.....	232.1	227.7	221.8 <sub>r</sub>	+1.9	+4.6	Food.....	242.6	241.4	225.2	+0.5	+7.7
Housing <sup>1</sup> .....	114.0	114.0	110.2	0	+3.4	Housing <sup>1</sup> .....	102.1	102.1	98.0	0	+4.2
Clothing.....	172.0	171.1	169.6	+0.5	+1.4	Clothing.....	157.0	155.8 <sub>r</sub>	146.2	+0.8	+7.4
Fuels <sup>2</sup> .....	146.1	143.2	128.0	+2.0	+14.1	Fuels <sup>2</sup> .....	131.2	129.7	115.2	+1.2	+13.9
Housefurnishings.....	157.9	158.5	148.5	-0.4	+6.3	Housefurnishings.....	163.0	161.9 <sub>r</sub>	156.4	+0.7	+4.2
Sundries.....	154.7	154.9	147.9	-0.1	+4.6	Sundries.....	155.9	156.3	145.6	-0.3	+7.1
Weighted Total.....	172.9	171.2	164.7 <sub>r</sub>	+1.0	+5.0	Weighted Total.....	167.6	167.1	156.3	+0.3	+7.2
<b>Fall River</b>						<b>Los Angeles</b>					
Food.....	204.2	203.5 <sub>r</sub>	185.8	+0.3	+9.9	Food.....	220.3	218.2	198.1	+1.0	+11.2
Housing <sup>1</sup> .....	104.3	104.3	104.3	0	0	Housing <sup>1</sup> .....	111.3	111.3	106.2	0	+4.8
Clothing.....	171.2	170.8	157.4	+0.2	+8.8	Clothing.....	147.3	147.5 <sub>r</sub>	144.1	-0.1	+2.2
Fuels <sup>2</sup> .....	147.8	147.3	123.7	0	+19.1	Fuels <sup>2</sup> .....	93.4	93.4	93.4	0	0
Housefurnishings.....	141.7	141.8 <sub>r</sub>	133.8	-0.1	+5.9	Housefurnishings.....	144.5	144.8	133.8 <sub>r</sub>	-0.2	+8.0
Sundries.....	141.2	141.5	137.5 <sub>r</sub>	-0.2	+2.7	Sundries.....	143.2	143.5	133.4	-0.2	+7.3
Weighted Total.....	159.7	159.5	148.7 <sub>r</sub>	+0.1	+7.4	Weighted Total.....	158.9	158.4 <sub>r</sub>	147.3	+0.3	+7.9
<b>Grand Rapids</b>						<b>Louisville</b>					
Food.....	228.2	226.7	206.6	+0.7	+10.5	Food.....	228.9	225.7 <sub>r</sub>	208.7	+1.4	+9.7
Housing <sup>1</sup> .....	106.5	106.5	106.5	0	0	Housing <sup>1</sup> .....	107.1	107.1	103.9	0	+3.1
Clothing.....	156.2	157.7 <sub>r</sub>	151.8	-1.0	+2.9	Clothing.....	154.0	154.3	147.7	-0.2	+4.3
Fuels <sup>2</sup> .....	148.1	143.1	125.9	+3.5	+17.6	Fuels <sup>2</sup> .....	150.4	147.1	125.9	+2.2	+19.5
Housefurnishings.....	166.7	168.5	158.0 <sub>r</sub>	-1.1	+5.5	Housefurnishings.....	164.3	164.3	158.9	0	+3.4
Sundries.....	152.3	152.4	142.3	-0.1	+7.0	Sundries.....	148.0	148.1	139.1	-0.1	+6.4
Weighted Total.....	167.4	166.9	155.4	+0.3	+7.7	Weighted Total.....	170.2	169.0	157.9 <sub>r</sub>	+0.7	+7.8
<b>Green Bay, Wis.</b>						<b>Macon</b>					
Food.....	206.4	208.5	193.8	-1.0	+6.5	Food.....	220.0	217.5 <sub>r</sub>	202.4 <sub>r</sub>	+1.1	+8.7
Housing <sup>1</sup> .....	115.2	115.2	106.8	0	+7.9	Housing <sup>1</sup> .....	120.1	120.1	114.0	0	+5.4
Clothing.....	168.1	168.1 <sub>r</sub>	162.2	0	+3.6	Clothing.....	164.0	163.5	152.1	+0.3	+7.8
Fuels <sup>2</sup> .....	132.4	127.6	117.4	+3.8	+12.8	Fuels <sup>2</sup> .....	112.2	112.2	103.2	0	+8.7
Housefurnishings.....	158.5	157.6	146.7	+0.6	+8.0	Housefurnishings.....	156.2	155.3	146.8	+0.6	+6.4
Sundries.....	143.2	143.7	131.6	-0.3	+8.8	Sundries.....	137.1	137.2	129.4	-0.1	+6.0
Weighted Total.....	160.0	160.3 <sub>r</sub>	149.0	-0.2	+7.4	Weighted Total.....	163.4	162.6 <sub>r</sub>	152.2 <sub>r</sub>	+0.5	+7.4
<b>Houston</b>						<b>Memphis</b>					
Food.....	224.8	226.2 <sub>r</sub>	200.2	-0.6	+12.3	Food.....	232.6	235.8	214.9	-1.4	+8.2
Housing <sup>1</sup> .....	110.0	110.0	105.7	0	+4.1	Housing <sup>1</sup> .....	114.0	114.0	108.4	0	+5.2
Clothing.....	156.9	157.7	146.6	-0.5	+7.0	Clothing.....	163.6	163.1	155.3	+0.3	+5.3
Fuels <sup>2</sup> .....	81.8	81.8	81.8	0	0	Fuels <sup>2</sup> .....	112.7	112.7	104.3	0	+8.1
Housefurnishings.....	142.2	142.2	134.9	0	+5.4	Housefurnishings.....	155.2	155.8 <sub>r</sub>	151.3	-0.4	+2.6
Sundries.....	141.7	141.9 <sub>r</sub>	134.0	-0.1	+5.7	Sundries.....	127.0	127.1	122.4	-0.1	+3.8
Weighted Total.....	157.8	158.4 <sub>r</sub>	146.2 <sub>r</sub>	-0.4	+7.9	Weighted Total.....	158.8	158.7 <sub>r</sub>	149.8	+0.1	+6.0
<b>Huntington, W. Va.</b>						<b>Milwaukee</b>					
Food.....	216.9	215.9	205.3	+0.5	+5.7	Food.....	219.9	218.5	196.1	+0.6	+12.1
Housing <sup>1</sup> .....	111.7	111.7	111.7	0	0	Housing <sup>1</sup> .....	111.6	111.6	103.5	0	+7.8
Clothing.....	155.9	158.7 <sub>r</sub>	148.0 <sub>r</sub>	+1.8	+5.3	Clothing.....	168.0	167.9 <sub>r</sub>	161.0	+0.1	+4.3
Fuels <sup>2</sup> .....	100.0	100.0	100.0	0	0	Fuels <sup>2</sup> .....	131.7	127.9	117.1 <sub>r</sub>	+3.0	+12.5
Housefurnishings.....	161.2	161.2	154.7	0	+4.2	Housefurnishings.....	171.9	172.2	157.4	-0.2	+9.2
Sundries.....	145.9	146.0	137.4	-0.1	+6.2	Sundries.....	140.0	140.3	132.5	-0.2	+5.7
Weighted Total.....	163.0	163.1	155.3	-0.1	+5.0	Weighted Total.....	162.1	161.4 <sub>r</sub>	148.7 <sub>r</sub>	+0.4	+9.0
<b>Indianapolis</b>						<b>Minneapolis</b>					
Food.....	224.5	220.9	205.4	+1.6	+9.3	Food.....	236.4	234.3 <sub>r</sub>	209.4	+0.9	+12.9
Housing <sup>1</sup> .....	115.4	115.4	107.9	0	+7.0	Housing <sup>1</sup> .....	108.8	108.8	103.7	0	+4.9
Clothing.....	149.0	147.7 <sub>r</sub>	143.8	+0.9	+3.6	Clothing.....	163.4	165.0	155.8	-1.0	+4.9
Fuels <sup>2</sup> .....	142.8	140.0	121.1	+2.0	+17.9	Fuels <sup>2</sup> .....	134.5	130.3	113.6	+3.2	+18.4
Housefurnishings.....	153.4	153.5	147.2	-0.1	+4.2	Housefurnishings.....	165.8	166.1	151.9	-0.2	+9.2
Sundries.....	152.4	152.5	141.3	-0.1	+7.9	Sundries.....	151.3	151.5	135.9	-0.1	+11.3
Weighted Total.....	166.2	164.9	153.5	+0.8	+8.3	Weighted Total.....	169.6	168.9	153.0	+0.4	+10.8

<sup>1</sup>Rents surveyed quarterly, March 15, June 15, September 15 and December 15.

<sup>2</sup>Includes electricity and gas.

<sub>r</sub>Revised.



# CONSUMERS' PRICE INDEXES FOR FIFTY-SEVEN CITIES—Continued

Source: THE CONFERENCE BOARD

NOTE: These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.

CITY	Index Numbers Jan., 1939=100			Percentage Changes	
	May, 1948	April, 1948	June, 1947	April, 1948 to May, 1948	June, 1947 to May, 1948
<b>Muskegon</b>					
Food.....	261.3	255.8 <sup>r</sup>	239.8	+2.2	+9.0
Housing <sup>1</sup> .....	115.4	115.4	115.2	0	+0.2
Clothing.....	150.5	151.1	144.7	-0.4	+4.0
Fuels <sup>2</sup> .....	150.6	148.6	134.9	+1.3	+11.6
Housefurnishings.....	139.6	141.0	138.7	-1.0	+0.6
Sundries.....	142.4	142.8	137.1	-0.3	+3.9
Weighted Total.....	172.2	170.8 <sup>r</sup>	162.6	+0.8	+5.9
<b>Newark</b>					
Food.....	213.1	209.8	186.7	+1.6	+14.1
Housing <sup>1</sup> .....	104.9	104.9	101.4	0	+3.5
Clothing.....	147.5	147.2	144.9	+0.2	+1.8
Fuels <sup>2</sup> .....	112.7	112.7	104.8	0	+7.5
Housefurnishings.....	172.6	174.3	162.5	-1.0	+6.2
Sundries.....	136.6	137.3	128.8	-0.5	+6.1
Weighted Total.....	159.5	158.5	146.1	+0.6	+9.2
<b>New Haven</b>					
Food.....	213.7	211.1 <sup>r</sup>	196.7 <sup>r</sup>	+1.2	+8.6
Housing <sup>1</sup> .....	105.3	105.3	105.3	0	0
Clothing.....	162.8	160.9	151.9	+1.2	+7.2
Fuels <sup>2</sup> .....	136.3	136.9	117.3	-0.4	+16.2
Housefurnishings.....	153.7	153.3	143.2	+0.3	+7.3
Sundries.....	126.3	126.5	123.6	-0.2	+2.2
Weighted Total.....	156.0	155.0	146.7 <sup>r</sup>	+0.6	+6.3
<b>New Orleans</b>					
Food.....	225.2	228.0 <sup>r</sup>	210.5	-1.2	+7.0
Housing <sup>1</sup> .....	118.6	118.6	110.6	0	+7.2
Clothing.....	161.5	162.1	152.8	-0.4	+5.7
Fuels <sup>2</sup> .....	90.5	90.3	84.5	+0.2	+7.1
Housefurnishings.....	162.7	162.6	153.7	+0.1	+5.9
Sundries.....	135.4	135.9	131.4	-0.4	+3.0
Weighted Total.....	168.1	169.3 <sup>r</sup>	158.6	-0.7	+6.0
<b>New York</b>					
Food.....	211.6	208.6 <sup>r</sup>	187.3	+1.4	+13.0
Housing <sup>1</sup> .....	103.2	103.2	100.8	0	+2.4
Clothing.....	155.3	155.4 <sup>r</sup>	149.2	-0.1	+4.1
Fuels <sup>2</sup> .....	115.0	115.0	109.2	0	+5.3
Housefurnishings.....	156.9	157.0	149.4	-0.1	+5.0
Sundries.....	144.5	144.8	139.2 <sup>r</sup>	-0.2	+3.8
Weighted Total.....	160.0	158.9	148.3 <sup>r</sup>	+0.7	+7.9
<b>Omaha</b>					
Food.....	242.1	235.9 <sup>r</sup>	215.8	+2.6	+12.2
Housing <sup>1</sup> .....	106.0	106.0	100.6	0	+5.4
Clothing.....	155.9	157.1	148.7	-0.8	+4.8
Fuels <sup>2</sup> .....	130.9	131.0	118.5	-0.1	+10.5
Housefurnishings.....	172.8	173.2	164.8	-0.2	+4.9
Sundries.....	143.9	143.9	134.7 <sup>r</sup>	0	+6.8
Weighted Total.....	167.2	165.6	153.7	+1.0	+8.8
<b>Philadelphia</b>					
Food.....	204.6	202.0 <sup>r</sup>	186.4	+1.3	+9.8
Housing <sup>1</sup> .....	105.3	105.3	102.7	0	+2.5
Clothing.....	150.3	150.4 <sup>r</sup>	145.2	-0.1	+3.5
Fuels <sup>2</sup> .....	135.0	135.0	124.5	0	+8.4
Housefurnishings.....	151.1	152.3	147.2	-0.8	+2.6
Sundries.....	142.4	142.8	139.3 <sup>r</sup>	-0.3	+2.2
Weighted Total.....	159.4	158.6 <sup>r</sup>	150.2 <sup>r</sup>	+0.5	+6.1
<b>Pittsburgh</b>					
Food.....	218.1	213.8	198.4	+2.0	+9.9
Housing <sup>1</sup> .....	116.3	116.3	105.8	0	+9.9
Clothing.....	152.6	154.5	145.7	-1.2	+4.7
Fuels <sup>2</sup> .....	131.5	131.5	119.0	0	+10.5
Housefurnishings.....	143.8	144.7 <sup>r</sup>	138.5	-0.6	+3.8
Sundries.....	147.4	147.9	135.0	-0.3	+9.2
Weighted Total.....	163.9	162.9	150.4	+0.6	+9.0
<b>Portland, Ore.</b>					
Food.....	228.0	222.3 <sup>r</sup>	202.5	+2.6	+12.6
Housing <sup>1</sup> .....	117.3	117.3	110.0	0	+6.6
Clothing.....	174.5	174.0	162.5	+0.3	+7.4
Fuels <sup>2</sup> .....	124.3	124.3	128.0	0	-2.9
Housefurnishings.....	143.5	143.7 <sup>r</sup>	138.1 <sup>r</sup>	-0.1	+3.9
Sundries.....	133.3	133.4	128.1	-0.1	+4.1
Weighted Total.....	163.7	162.0 <sup>r</sup>	152.0	+1.0	+7.7
<b>Providence</b>					
Food.....	220.5	219.8 <sup>r</sup>	201.5	+3.0	+9.4
Housing <sup>1</sup> .....	106.2	106.2	103.8	0	+2.8
Clothing.....	156.0	156.3	148.9	-0.2	+4.8
Fuels <sup>2</sup> .....	139.4	139.7	121.1	-0.2	+15.1
Housefurnishings.....	138.3	138.3	126.9	0	+9.0
Sundries.....	145.0	145.1	138.9	-0.1	+4.4
Weighted Total.....	162.3	162.2	151.4	+0.1	+7.2
<b>Richmond</b>					
Food.....	246.3	243.0 <sup>r</sup>	229.5	+1.4	+7.3
Housing <sup>1</sup> .....	114.1	114.1	103.4	0	+10.3
Clothing.....	163.5	162.3	152.9 <sup>r</sup>	+0.7	+6.9
Fuels <sup>2</sup> .....	126.5	124.5	112.4	+1.6	+12.5
Housefurnishings.....	161.6	161.5	158.8	+0.1	+1.8
Sundries.....	130.3	130.4	124.6	-0.1	+4.6
Weighted Total.....	166.1	164.9	155.3 <sup>r</sup>	+0.7	+7.0
<b>Roanoke, Va.</b>					
Food.....	221.5	219.8 <sup>r</sup>	204.9	+0.8	+8.1
Housing <sup>1</sup> .....	133.3	133.3	123.9	0	+7.6
Clothing.....	172.6	172.2	161.0	+0.2	+7.2
Fuels <sup>2</sup> .....	141.5	138.3	122.2	+2.3	+15.8
Housefurnishings.....	161.8	161.5	149.1	+0.2	+8.5
Sundries.....	141.7	141.7	135.8	0	+4.3
Weighted Total.....	167.9	167.1 <sup>r</sup>	156.3	+0.5	+7.4
<b>Rochester</b>					
Food.....	225.7	224.0	208.3	+0.8	+8.4
Housing <sup>1</sup> .....	103.9	103.9	103.9	0	0
Clothing.....	159.1	159.1	155.6	0	+2.2
Fuels <sup>2</sup> .....	146.8	145.1	133.5	+1.2	+10.0
Housefurnishings.....	184.8	184.8 <sup>r</sup>	171.4	0	+7.8
Sundries.....	151.8	151.6	142.5 <sup>r</sup>	+0.1	+6.5
Weighted Total.....	164.8	164.1 <sup>r</sup>	155.2 <sup>r</sup>	+0.4	+6.2
<b>Rockford, Ill.</b>					
Food.....	237.3	238.0	212.7	-0.3	+11.6
Housing <sup>1</sup> .....	140.2	140.2	138.1	0	+1.5
Clothing.....	161.7	155.8	145.8	+3.8	+10.9
Fuels <sup>2</sup> .....	137.1	136.7	124.8	+0.3	+9.9
Housefurnishings.....	162.0	162.6 <sup>r</sup>	149.5	-0.4	+8.4
Sundries.....	145.5	145.6	137.3	-0.1	+6.0
Weighted Total.....	174.1	173.8 <sup>r</sup>	160.8	+0.2	+8.3
<b>Sacramento</b>					
Food.....	222.7	222.0 <sup>r</sup>	204.6	+0.3	+8.8
Housing <sup>1</sup> .....	115.3	115.3	105.7	0	+9.1
Clothing.....	172.2	171.7	162.5	+0.3	+6.0
Fuels <sup>2</sup> .....	77.0	77.0	77.0	0	0
Housefurnishings.....	177.3	176.8	165.8	+0.3 <sup>r</sup>	+6.9
Sundries.....	141.5	141.5	131.2	0	+7.9
Weighted Total.....	162.9	162.6 <sup>r</sup>	150.9	+0.2	+8.0
<b>St. Louis</b>					
Food.....	215.2	212.4	194.1	+1.3	+10.9
Housing <sup>1</sup> .....	113.0	113.0	105.8	0	+6.8
Clothing.....	150.5	150.1	144.9	+0.3	+3.9
Fuels <sup>2</sup> .....	144.0	142.1	127.1	+1.3	+13.3
Housefurnishings.....	159.8	159.6	144.7	+0.1	+10.4
Sundries.....	137.1	137.3	128.3	-0.1	+6.9
Weighted Total.....	161.8	160.8 <sup>r</sup>	148.7	+0.6	+8.8

<sup>1</sup>Rents surveyed quarterly, March 15, June 15, September 15 and December 15.

<sup>2</sup>Includes electricity and gas.

<sup>r</sup>Revised.



# CONSUMERS' PRICE INDEXES FOR FIFTY-SEVEN CITIES—Continued

Source: THE CONFERENCE BOARD

NOTE: These indexes do NOT show intercity differences in price level or standards of living. They show only changes in consumers' prices in each city, which changes may be compared with those for other cities.

CITY	Index Numbers Jan., 1939=100			Percentage Changes		CITY	Index Numbers Jan., 1939=100			Percentage Changes	
	May, 1948	April, 1948	June, 1947	April, 1948 to May, 1948	June, 1947 to May, 1948		May, 1948	April, 1948	June, 1947	April, 1948 to May, 1948	June, 1947 to May, 1948
<b>St. Paul</b>						<b>Toledo</b>					
Food.....	233.5	231.1	206.2	+1.0	+13.2	Food.....	225.9	222.0	204.3	+1.8	+10.6
Housing <sup>1</sup> .....	104.9	104.9	100.9	0	+4.0	Housing <sup>1</sup> .....	120.5	120.5	113.1	0	+6.5
Clothing.....	156.2	153.0 <sub>r</sub>	145.5	+2.1	+7.4	Clothing.....	159.7	158.6	150.6 <sub>r</sub>	+0.7	+6.0
Fuels <sup>2</sup> .....	138.2	135.3	118.3	+2.1	+16.8	Fuels <sup>2</sup> .....	140.7	137.1	119.8	+2.6	+17.4
Housefurnishings.....	169.8	172.5 <sub>r</sub>	165.8 <sub>r</sub>	-1.6	+2.4	Housefurnishings.....	146.3	146.5 <sub>r</sub>	141.2	-0.1	+3.6
Sundries.....	145.2	145.5 <sub>r</sub>	136.4	-0.2	+6.5	Sundries.....	154.9	155.1	142.5	-0.1	+8.7
Weighted Total.....	166.1	165.1	151.8	+0.6	+9.4	Weighted Total....	169.6	168.1	155.3	+0.9	+9.2
<b>San Francisco - Oakland</b>						<b>Wausau, Wis.</b>					
Food.....	232.6	230.6	199.9	+0.9	+16.4	Food.....	235.2	234.4	219.4	+0.3	+7.2
Housing <sup>1</sup> .....	100.9	100.9	100.9	0	0	Housing <sup>1</sup> .....	102.7	102.7	102.7	0	0
Clothing.....	160.1	158.6 <sub>r</sub>	150.7 <sub>r</sub>	+0.9	+6.2	Clothing.....	183.2	182.3	174.1	+0.5	+5.2
Fuels <sup>2</sup> .....	90.8	90.8	88.1	0	+3.1	Fuels <sup>2</sup> .....	141.8	136.0	120.3	+4.3	+17.9
Housefurnishings.....	156.3	156.0 <sub>r</sub>	148.9	+0.2	+5.0	Housefurnishings.....	153.1	152.7	145.8	+0.3	+5.0
Sundries.....	148.3	148.4	140.4	-0.1	+5.6	Sundries.....	138.8	139.0	130.0	-0.1	+6.8
Weighted Total.....	166.8	166.0	152.3	+0.5	+9.5	Weighted Total....	166.5	165.5	155.7	+0.6	+6.9
<b>Seattle</b>						<b>Wilmington, Del.</b>					
Food.....	226.5	217.9	198.6 <sub>r</sub>	+3.9	+14.0	Food.....	201.7	200.1	184.3	+0.8	+9.4
Housing <sup>1</sup> .....	115.5	115.5	106.5	0	+8.5	Housing <sup>1</sup> .....	108.5	108.5	104.9	0	+3.4
Clothing.....	147.8	148.5	141.6	-0.5	+4.4	Clothing.....	169.4	169.2	154.2	+0.1	+9.9
Fuels <sup>2</sup> .....	128.4	127.7	116.9	+0.5	+9.8	Fuels <sup>2</sup> .....	126.3	126.3	112.7	0	+12.1
Housefurnishings.....	164.1	164.3	150.7	-0.1	+8.9	Housefurnishings.....	170.0	170.1	156.5	-0.1	+8.6
Sundries.....	142.1	142.3	135.9 <sub>r</sub>	-0.1	+4.6	Sundries.....	130.1	130.3	126.1	-0.2	+3.2
Weighted Total.....	165.3	162.7	151.1 <sub>r</sub>	+1.6	+9.4	Weighted Total....	158.4	157.9	147.4	+0.3	+7.5
<b>Spokane</b>						<b>Youngstown</b>					
Food.....	220.5	216.3	193.8	+1.9	+13.8	Food.....	227.2	223.0	207.3 <sub>r</sub>	+1.9	+9.6
Housing <sup>1</sup> .....	104.0	104.0	102.0	0	+2.0	Housing <sup>1</sup> .....	106.7	106.7	105.6	0	+1.0
Clothing.....	148.2	150.8	140.2	-1.7	+5.7	Clothing.....	170.2	170.4 <sub>r</sub>	157.1	-0.1	+8.3
Fuels <sup>2</sup> .....	144.5	144.3	134.5	+0.1	+7.4	Fuels <sup>2</sup> .....	130.8	130.8	118.2	0	+10.7
Housefurnishings.....	145.7	145.7	136.7 <sub>r</sub>	0	+6.6	Housefurnishings.....	160.8	161.0	152.6 <sub>r</sub>	-0.1	+5.4
Sundries.....	141.0	141.2	134.3 <sub>r</sub>	-0.1	+5.0	Sundries.....	136.1	136.4	126.2	-0.2	+7.8
Weighted Total.....	161.8	160.7	148.9 <sub>r</sub>	+0.7	+8.7	Weighted Total....	163.2	162.0 <sub>r</sub>	151.4	+0.7	+7.8
<b>Syracuse</b>											
Food.....	222.9	219.6	203.5	+1.5	+9.5						
Housing <sup>1</sup> .....	116.7	116.7	116.3	0	+0.3						
Clothing.....	158.4	158.2 <sub>r</sub>	154.4 <sub>r</sub>	+0.1	+2.6						
Fuels <sup>2</sup> .....	141.2	139.3	131.4	+1.4	+7.5						
Housefurnishings.....	162.1	162.1 <sub>r</sub>	155.1	0	+4.5						
Sundries.....	137.7	138.1	131.0 <sub>r</sub>	-0.3	+5.1						
Weighted Total.....	161.7	160.7	152.5 <sub>r</sub>	+0.6	+6.0						

<sup>1</sup>Rents surveyed quarterly, March 15, June 15, September 15 and December 15.  
<sup>2</sup>Includes electricity and gas.  
<sub>r</sub>Revised.

<sup>1</sup>Rents surveyed quarterly, March 15, June 15, September 15 and December 15.

<sup>2</sup>Includes electricity and gas.

<sub>r</sub>Revised.

## PERCENTAGE CHANGES IN INDEXES FOR FIVE CITIES

	Weighted Total		Food		Housing <sup>1</sup>		Clothing		Fuels		Housefurnishings		Sundries	
	April 1948 to May 1948	June 1947 to May 1948	April 1948 to May 1948	June 1947 to May 1948	April 1948 to May 1948	June 1947 to May 1948	April 1948 to May 1948	June 1947 to May 1948	April 1948 to May 1948	June 1947 to May 1948	April 1948 to May 1948	June 1947 to May 1948	April 1948 to May 1948	June 1947 to May 1948
<b>Bellefonte, Pa.</b> .....	+0.3	+7.1	+0.7	+6.9	0	+12.9	+0.5	+9.0	+0.1	+12.7	-0.1	+6.9	-0.2	+2.9
<b>Evansville, Ind.</b> .....	+0.2	+5.6	+0.6	+6.3	0	+1.5	+0.4	+3.1	0	+9.7	-0.7	+8.5	+0.1	+5.6
<b>International Falls, Minn.</b> .....	+0.6	+10.2	+1.0	+13.2	0	+12.4	+0.4	+5.4	+3.7	+13.8	0	+6.4	-0.2	+7.3
<b>Joliet, Ill.</b> .....	+0.9	+8.0	+2.0	+12.7	0	+2.5	+0.2	+6.6	+0.5	+14.5	0	+4.5	0	+4.4
<b>Trenton, N. J.</b> .....	+0.4	+5.5	+1.1	+7.4	0	+0.8	-0.3	+4.9	0	+10.3	0	+2.9	-0.1	+4.0

<sup>1</sup>Rents surveyed quarterly, March 15, June 15, September 15 and December 15.

<sup>2</sup>Includes Lockport and Rockdale.



# Wage Increase Announcements—May 15 to June 15

Source: Company granting increase unless otherwise specified

Compiled by Mary Ann O'Donnell and Edwin K. Tyson

Company	Type of Worker <sup>1</sup>	Increase			Previous Rate or Range		Remarks
		Amount	Date Effective	Number Affected	Rate	Effective	
*Akron Transportation Association... Akron, Ohio	WE	\$.15 hr.	n.a.	1,000	n.a.	n.a.	Increase given to all workers of 53 motor freight lines. Announced 5/25/48. (Drivers, AFL)
Albemarle Paper Manufacturing Company Richmond, Va.	WE S	\$.10 hr. 10%	4-1-48 4-5-48	426 23	\$.81 hr. n.a.	4-1-47 n.a.	One additional paid holiday. (CIO union; no union for salaried employees)
Atlas Powder Company..... Tamaqua and White Haven, Pa.	WE	\$.10 hr.	4-3-48	1,226	See remarks	4-3-47	Previous rates: Reynolds plant, \$1.3378; White Haven plant, \$1.3376; Blasting Supplies plant, \$.9975; Reynolds Experimental Laboratory, \$1.3491. (UMW, Dist. 50)
*Bakeries..... Cincinnati, Ohio	WE	\$.11 hr.	5-1-48	1,200	n.a.	n.a.	Under new contract, master bakers will receive wages ranging from \$1.34 to \$1.48 hr. (Bakery & Confectionery Workers, AFL)
Boston Edison Company..... Boston, Mass.	WE	See remarks	2-29-48	n.a.	See remarks	n.a.	Increase of \$3 wk. given to employees earning less than \$35; \$4 wk. to those earning between \$35-\$55; \$5 wk. to those receiving more than \$55. Effective 1-1-49, employees with 20 years' service will receive 3 wks.' vacation. (United Bro. Edison Workers)
*Building trades..... Buffalo, N. Y.	WE	\$.25 hr.	n.a.	n.a.	n.a.	n.a.	Announced 5-27-48. (18 AFL Building Trades Unions)
Byers Machine Company..... Ravenna, Ohio	WE S	\$.15 hr. \$.10 hr. 7½% (approx.)	n.a. 5-27-48 n.a.	n.a. 210 n.a.	n.a. n.a. n.a.	n.a. n.a. n.a.	Announced 5-27-48. (Truck drivers, AFL) Six paid holidays (UAW-AFL)
California Packing Corporation, Mid-west Division DeKalb and Rochelle, Ill.	WE WE S	\$.07½ hr. \$.01½ hr. \$.16 to \$.17 mo.	3-1-48 3-1-48 3-1-48	200 1,500 200	\$.91½ hr. \$.86½ hr. n.a.	3-1-47 3-1-47 3-1-47	Regular employees. (CIO union) Seasonal employees. (CIO union) (No union)
*Cambridge and Southern Ohio Transit Company Cambridge, Ohio	WE	\$.15 hr.	n.a.	n.a.	n.a.	n.a.	Announced 5-11-48. (Teamsters' Union, AFL)
Canada Dry Ginger Ale, Inc..... New York, N. Y.	S	\$.15 hr.	2-23-48	6	\$1.55 hr.	2-23-47	(Int. Assn. Machinists)
Carnation Company.....	WE	\$.15 hr.	1-1-48	n.a.	n.a.	n.a.	Can-making plant at Oconomowoc, Wisc. (Int. Assn. Machinists)
	WE	\$.15 hr.	1-1-48	n.a.	n.a.	n.a.	Certain milk condenseries in Wisconsin. (Teamsters, AFL)
*Charwomen..... New York, N. Y.	WE	\$.10 hr.	4-21-48	See remarks	n.a.	n.a.	Increase directly affects 6,500 union members and indirectly 12,000 other charwomen. New basic minimum, \$.95 hr. One additional holiday bringing total to 8. (Bldg. Service Employees, AFL)
The Chicago Daily News..... Chicago, Ill.	WE	\$9 wk.	4-3-48	48	See remarks	4-3-47	Previous rates: \$75.50 wk. for day work; \$84.50 for night work. (Chicago Web Printing Pressmen's Union)
	S	See remarks	5-4-48	n.a.	n.a.	n.a.	Employees of the art and editorial department with salaries less than \$150 wk. received a 10% increase with maximum of \$10 wk. (Newspaper Guild of Chicago)
Chrysler Corporation..... Detroit, Mich.	WE S	\$.13 hr. 9% (\$20 mo. min.)	See remarks See remarks	*75,000 *15,000	n.a. n.a.	n.a. n.a.	Date effective will be "first pay period commencing after ratification of the agreement" Additionally, the starting, working and full rates of minimum-rated classifications, involving about 1,600 employees, were increased 3¢ hr. Vacation pay for hourly rated employees in 1949 will be adjusted to include the general increase. (UAW-CIO; no union for salaried employees)
*Cincinnati Daily Newspaper Publishers Association Cincinnati, Ohio	WE	\$8.25 wk.	4-10-48	90	n.a.	n.a.	Work week shortened 75 minutes to 37½ hrs. (Cincinnati Newspaper Pressmen's Union)
The Cincinnati Gas & Electric Company Cincinnati, Ohio	WE WE S	\$.10 hr. \$.10 hr. \$.089 hr. (approx.)	4-1-48 6-1-48 3-22-48	1,425 496 1,167	n.a. n.a. n.a.	4-1-47 6-1-47 6-30-47	(Int. Bro. Electrical Workers, AFL) (Dist. 50, UMW) (IUU)
*Construction workers..... Cincinnati, Ohio	WE	\$.21 hr.	6-11-48	2,100	n.a.	n.a.	(Int. Hod Carriers, Bldg. & Common Laborers, AFL)
The Cudahy Packing Company..... Chicago, Ill., and various plants	WE WE S	\$.09 hr. \$.09 hr. 7½%	1-12-48 5-3-48 1-12-48	10,000 5,000	\$1.02 hr. (com.lab.) \$1.02 hr. (com.lab.) n.a.	6-14-47 6-14-47 7-1-47	(AFL union) (United Packinghouse Workers, CIO) (No union)
W. S. Dickey Clay Manufacturing Company Birmingham, Ala.	WE	\$.06 hr.	5-1-48	180	\$.74 hr.	5-1-47	(United Steelworkers, CIO)



# WAGE INCREASE ANNOUNCEMENTS—MAY 15 TO JUNE 15—Continued

Company	Type of Worker <sup>1</sup>	Increase			Previous Rate or Range		Remarks
		Amount	Date Effective	Number Affected	Rate	Effective	
Eagle-Picher Mining & Smelting Company Henryetta, Okla.	WE	\$12½ hr.	4-5-48	700	\$1.26 hr. average	6-1-47	(Int. Union Mine, Mill & Smelter Workers, CIO)
Flood City Brass & Electric Company. Johnstown, Pa.	WE	\$.08 to \$.13 hr.	4-1-48	40	n.a.	n.a.	8 weeks' paid vacation for 20 years' service. (United Electrical, Radio & Machine Workers, CIO; no union for salaried employees)
General Mills, Inc.	S	\$17.50 mo.	4-1-48	15	n.a.	n.a.	Buffalo Elevator plant. (Int. Longshoremen's Ass'n., AFL)
	WE	\$.10 hr.	4-15-48	40	n.a.	n.a.	Farm Service Store, Johnstown, Pa. (Teamsters, AFL)
	WE	\$.05 hr.	6-1-48	24	n.a.	n.a.	Farm Service Store, Fitchburg, Mass. (Teamsters, AFL)
	WE	\$.15 hr.	4-5-48	11	n.a.	n.a.	(UAW-CIO. United Elec., Radio & Machine Workers, CIO)
General Motors Corporation..... Detroit, Mich.	WE	\$.11 hr.	5-29-48	275,000	\$1.50 hr. approx.	4-24-47	*Beginning 9-1-48, and each quarter-year thereafter the rates will be adjusted in accordance with the movement of the BLS consumers' price index. If the latter has risen, the employees will receive an automatic increase of 1¢ hr. for every 1.14 points of the rise. If it has fallen, the employees will receive a corresponding decrease, but the corporation cannot cut wages more than 5¢ hr. between now and 1950. Effective May 29, 1949, regardless of what has happened to the cost of living, the rates will be increased 3¢ hr. Includes cost of living adjustment which is subject to quarterly revision. (No union)
	S	\$18.33 mo. (min.)	6-1-48	70,000	n.a.	4-15-47	Male workers. (UMW, Dist. 50)
Hammermill Paper Company..... Erie, Pa.	WE	\$.11 hr.	3-15-48	n.a.	\$.94 hr.	3-3-47	Female workers. (UMW, Dist. 50)
E. F. Houghton & Company..... Detroit, Mich.	WE	\$.13 hr.	3-15-48	n.a.	\$.81 hr.	3-3-47	Previous increase: 4¢ hr., effective 11-16-47. (UMW, Dist. 50)
*Ideal Electric & Manufacturing Company Mansfield, Ohio	WE	\$.08 hr.	5-2-48	18	n.a.	n.a.	Announced 5-23-48. (United Electrical Workers, CIO)
International Minerals & Chemical Corporation Lockland, Ohio	WE	\$.05 hr.	n.a.	100	n.a.	n.a.	Increases affect maintenance men, superphosphate crew, key laborers, and laborers. (UMW, Dist. 50)
	S	\$.10 to \$.18 hr.	5-5-48	70	\$.99 to \$1.07 hr.	5-5-47	Previous rates ranged from \$30 wk. effective 7-7-47, for factory clerk to \$50 wk., effective 5-2-47 for foremen. (No union)
International Minerals & Chemical Corporation Mulberry and Nichols, Fla.	WE	\$5 to \$6 wk.	5-7-48	4	See remarks	See remarks	Current rates range from \$.93 hr. for women laborers to \$1.84 for dragline operators. One legal holiday per year paid for. (Int. Chemical Workers, AFL)
	WE	11%	5-10-48	800	n.a.	n.a.	(No union)
Jenkins Bros..... Bridgeport, Conn.	S	\$22.50 mo.	5-10-48	100	n.a.	n.a.	Additional holiday with pay—Good Friday—making total of 7. (Int. Union Mine, Mill & Smelter Workers, CIO)
	WE	\$.10 hr.	4-12-48	950	n.a.	n.a.	(United Elec., Radio & Machine Workers, CIO)
E. Keeler Company..... Williamsport, Pa.	WE	\$.142 hr.	3-22-48	164	\$1.16 hr.	n.a.	(No union)
	S	\$.142 hr.	3-22-48	92	n.a.	n.a.	Employees with 20 years' service will receive 3 weeks' vacation. Additional paid holiday, making total of 4. (UMW, Dist. 50)
Kimberly-Clark Corporation..... Niagara Falls, N. Y.	WE	\$.10 hr.	4-12-48	1,514	\$1.12 hr.	4-12-47	(UMW, Dist. 50)
	S	\$17.50 mo.	5-17-48	85	\$147 mo.	5-19-47	Detroit, Mich., truck drivers and warehousemen. Previous rate for truck drivers, \$1.15 hr. (Int. Bro. Teamsters, Chauffeurs, Warehousemen & Helpers, AFL)
Lee & Cady.....	WE	\$.13 hr.	3-1-48	64	See remarks	n.a.	Jackson, Mich., division. Previous rate for truck drivers, \$.94 hr. (Int. Bro. Teamsters, Chauffeurs, Warehousemen & Helpers, AFL)
	WE	\$.10 hr.	1-1-48	18	See remarks	n.a.	Toledo, Ohio, division. Previous rate for warehousemen, \$1.32 hr. (Retail, Wholesale & Dept., Store Union, CIO)
	WE	\$.15 hr.	3-20-48	50	See remarks	n.a.	(UMW, Dist. 50)
Linde Air Products Company..... So. Charleston, W. Va.	WE	\$.12 hr.	3-25-48	25	n.a.	n.a.	Contributory pension plan: 6¢ by company and 2½¢ by employees. (AFL union; no union for salaried employees)
Los Angeles Transit Lines..... Los Angeles, Calif.	WE	\$.05 hr.	6-1-48	3,000	\$1.35 hr.	6-1-47	Includes clerical workers in shop offices, about half of whom are not unionized. Previous increase: 11¢, effective 5-5-47. 3 weeks' vacation after 15 instead of 20 years' service. (United Electrical Workers, CIO)
	S	\$.05 hr.	6-1-48	1,000	n.a.	6-1-47	Management employees. Previous increase: 10%, effective 5-1-47. 3 weeks' vacation after 15 instead of after 20 years' service. (No union)
Minneapolis-Moline Power Implement Company Hopkins and Minneapolis, Minn., Moline, Ill.	WE	\$.10 hr.	5-3-48	5,800	n.a.	n.a.	
	S	8%	5-1-48	600	n.a.	n.a.	



**WAGE INCREASE ANNOUNCEMENTS—MAY 15 TO JUNE 15—Continued**

Company	Type of Worker <sup>1</sup>	Increase			Previous Rate or Range		Remarks
		Amount	Date Effective	Number Affected	Rate	Effective	
Mobile City Lines..... Mobile, Ala.	WE	\$.08 hr.	5-1-48	235	n.a.	n.a.	(Amal. Assn. Street, Electric Ry., & Motor Coach Employees, AFL)
National Carbon Company..... Niagara Falls, N. Y.	WE	\$.11 hr.	4-8-48	975	n.a.	n.a.	Also minor fringe issues amounting to approximately 1½¢ hr. 3% shift premium for continuous shift workers. Sick leave pay. (United Gas, Coke & Chemical Workers, CIO)
New York Herald Tribune..... New York, N. Y.	S	See remarks	2-1-48	1,000	n.a.	12-12-46	10% increase given to employees earning less than \$150 wk. Increase in minimum contract salary rate brings this to approximately 12%. \$15 increase given to employees earning \$150 and over. (Newspaper Guild)
The Northwestern Mutual Life Insurance Company Milwaukee, Wisc.	WE	See remarks	5-1-48	1,331	n.a.	n.a.	Increase of 3% of first \$2,400 of annual salary. (Associated Unions of America)
Pabst Brewing Company..... Milwaukee, Wisc.	WE	\$.17 hr.	3-1-48	1,600	\$1.42½ to \$1.47½ hr.	3-1-47	(Int. Brewery, Flour, Cereal, Soft Drink & Distilling Workers, CIO) [This increase was negotiated on an industry-wide basis for Milwaukee, involving approximately 5,200 employees.]
	S	10% (approx.)	6-1-48	300	n.a.	9-1-47	(No union)
The Pond Lily Company..... New Haven, Conn.	WE	\$.07 hr.	3-4-48	200	n.a.	n.a.	Group life, accident and hospitalization insurance. (United Textile Workers, AFL)
Radio Corporation of America, RCA. Victor Division	WE	\$.04 hr.	5-24-48	4,000	n.a.	n.a.	Harrison, N. J. plant. Vacations ranging from 1 wk. to 3 wks. for service of 6 mos. to 10 yrs. to be paid on the basis of 2 to 6% of total annual earnings. (Radio Communications Assn.)
	WE	\$.04 hr.	5-31-48	9,300	n.a.	n.a.	Plants at Camden, N. J.; Hollywood, Calif.; Lancaster, Pa.; Pulaski, Va. Vacations ranging from 1 wk. to 3 wks. for service of 6 mos. to 10 yrs. to be paid on the basis of 2 to 6% of total annual earnings. (United Electrical Workers, CIO)
	S	\$.04 hr.	5-31-48	7,600	n.a.	n.a.	"All salaried employees except bargaining units and subsidiaries." 3 wks.' vacation to employees after 10 yrs.' service. (No union)
	S	\$.04 hr.	6-7-48	500	n.a.	n.a.	3 wks.' vacation to employees after 10 yrs.' service. (Fed. Tech. Engineers, Architects & Draftsmen's Unions, AFL)
Socony-Vacuum Oil Company..... St. Louis, Ill.	WE	\$.10 hr.	4-1-48	450	n.a.	n.a.	Previous 9¢ cost of living allowance replaced by 14¢ allowance. Previous increase: 15¢ hr. and the above 9¢, effective 8/47 (AFL union)
	S	3%	4-1-48	43	n.a.	n.a.	Represents cost of living allowance—previously 5%, effective 1-1-48. (No union)
Swift & Company..... Chicago, Ill.	WE	\$.09 hr.	5-3-48	5,200	\$1.02 hr.	6-16-47	(United Packinghouse Workers, CIO)
Texas Steel Company..... Ft. Worth, Tex.	WE	7.9%	5-17-48	410	n.a.	n.a.	(Int. Assn. Machinists)
	S	5%	6-1-48	58	n.a.	n.a.	(No union)
Trans World Airline, Inc..... Kansas City, Mo.	WE	\$.11 hr.	1-1-48	3,800	\$1.40 hr. average	1-1-47	(Int. Assn. Machinists)
	S	\$12.60 average	1-1-48	4,100	\$206 mo. average	9-1-47	Shift differentials: \$8.67 mo. for 2nd shift; \$17.33 mo. for 3rd shift. (No union)
United States Air Conditioning Corporation Minneapolis, Minn.	WE	\$.15 hr.	4-1-48	285	n.a.	n.a.	(United Electrical, Radio & Machine Workers, CIO)
U. S. Pipe & Foundry Company..... Birmingham, Ala.	WE	\$.06 hr.	5-5-48	539	n.a.	n.a.	Plus 6 paid holidays (estimated value, 2.7¢ hr.) and 1¢ per hr. of work towards group insurance plan. (Int. Molders & Foundry Workers, AFL)
	S	\$10 mo.	5-1-48	26	n.a.	n.a.	Additional value of approximately 3¢ per hr. in "evaluation of jobs." [This will also apply to Bessemer, Ala., plant.] (No union)
Universal Sanitary Manufacturing Company Camden, N. J.	WE	\$.10 hr.	4-21-48	213	\$1.48 hr. average	5-7-47	Six paid holidays and 3 wks.' vacation for 25 yrs.' service. (Nat. Bro. Operative Potters, AFL)
Washington Metal Trades, Inc..... Seattle, Wash.	WE	\$.12 hr.	4-8-48	4,500	n.a.	n.a.	Represents increase given to employees in 97 shops. (Int. Bro. Blacksmiths, Drop Forgers & Helpers; Int. Assn. Bridge, Structural & Ornamental Iron Workers; Warehousemen; Int. Bro. Boilermakers, Iron Shipbuilders, Welders & Helpers—all AFL; Int. Assn. Machinists)
L. A. Young Spring & Wire Corporation Leeds, Ala.	WE	See remarks	3-5-48	27	n.a.	n.a.	Increase was 10¢ on the guaranteed rate and 12¢ on the 100% efficiency rate. 2 wks.' paid vacation; group insurance. Second shift bonus, 4¢; 3rd shift, 6¢ (UMW, Dist. 50)

<sup>1</sup>Type of worker: WE—wage earners; S—salaried employees.  
\*Obtained from press reports—information not verified.

n.a.—Not available.